

ESTIMATES COMMITTEE (1975-76)

(FIFTH LOK SABHA)

NINETY-FOURTH REPORT

MINISTRY OF SHIPPING AND TRANSPORT

Action Taken by Government on the Recommendations contained in the Seventy-Fifth Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Shipping and Transport—Transport Coordination.



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NEW DELHI**

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●Corrigenda to the 94th Report of Estimates Committee
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Coordination.

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(1975-76)

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(iv)

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STUDY GROUP 'F'
ESTIMATES COMMITTEE
(1975-76)

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7. Shri Anant Prasad Dhusia
8. Shri Laxman Kakadya Dumada
9. Shri M. Kathamuthu
10. Shri Maharaj Singh
11. Shri Yamuna Prasad Mandal
12. Shri Aravinda Bala Pajanor
13. Shri Dhan Shah Pradhan
14. Shri Shiv Kumar Shastri.

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this Ninety-fourth Report of the Committee on the action taken by Government on the recommendations contained in the Seventy-fifth Report of the Estimates Committee (5th Lok Sabha) on the Ministry of Shipping & Transport—Transport Co-ordination.

2. The Seventy-fifth Report was presented to Lok Sabha on the 30th April, 1975. Government furnished their replies indicating action taken on the recommendations contained in that Report from 21st August, 1975 to 27th December, 1975. Further information called for by the Committee was furnished by Government from 26th February to 24th March, 1976. The replies were examined by the Study Group 'F' of the Estimates Committee (1975-76) at their sitting held on the 29th March, 1976. The draft Report was adopted by the Estimates Committee (1975-76) on the 6th April, 1976.

3. The Report has been divided into the following Chapters:

I. Report.

II. Recommendations which have been accepted by Government.

III. Recommendations which the Committee do not desire to pursue in view of the Government's replies.

IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

V. Recommendations in respect of which final replies of Government are still awaited.

4. An analysis of the action taken by Government on the recommendations contained in the 75th Report of the Estimates Committee (5th Lok Sabha) is given in Appendix III. It would be observed therefrom that out of 85 recommendations made in the Report, 35 recommendations i.e. 41 per cent have been accepted by Government and the Committee do not desire to pursue 38 recommendations i.e., 45 per cent in view of Government's replies. Re-

plies of Government have not been accepted by the Committee in respect of 7 recommendations i.e., 8 per cent. Final replies of Government in respect of 5 recommendations i.e., 6 per cent are still awaited.

NEW DELHI;

April 23, 1976.

Vaisakha 27, 1898 (Saka).

R. K. SINHA,

Chairman,

Estimates Committee.

CHAPTER I

REPORT

Working of Railways (Sl. Nos. 11, 12 and 23 Para Nos. 2.21, 2.22 and 2.62)

In paragraph 2.21 of their Seventy-fifth Report, the Committee had noted that investments of more than 5,000 crores of rupees had been made in the Railways during the Five Year Plans with the result that the capital-at-charge of the Railways increased from Rs. 1,521 crores in the beginning of the Third Plan to Rs. 2,680 crores by the end of the Plan representing an increase of 76 per cent during the Third Plan period. The capital of the Indian Railways during 1973-74, i.e., last year of the Fourth Plan was Rs. 3,890 crores representing an increase of about 45 per cent during the Fourth Plan period. However, even with this massive investment and creation of considerable capacity, the freight traffic carried by the Railways had not shown any appreciable increase and had been considerably lower than the target. The Committee noted that the Fourth Five Year Plan, originally envisaged a freight traffic target of 265 million tonnes by the end of 1973-74, which was raised downwards to 240.5 million tonnes at the time of mid-term appraisal. The actual traffic handled by the Railways during 1973-74 was to the tune of 184.9 million tonnes only which was even less than that carried in 1968-69, the year immediately preceding the Fourth Plan.

2. In paragraph 2.22 of the Seventy-Fifth Report, the Committee pointed out that the freight traffic moved by the Railways during 1973-74 in terms of both million tonnes loaded as well as net tonne kilometres moved, has been less than in 1968-69 in spite of an investment of Rs. 1,420 crores during the Fourth Plan period. This would indicate that there had not been proper planning and co-ordination in the creation of additional capacity on the Railways which had not been in conformity with the demand. Investments for the creation of spare capacity appeared to have been made by the Railways ahead or at variance with the emerging pattern of traffic demand. This had created a paradoxical situation where, on the one hand, there was spare capacity without the demand therefor and on the other hand, the traffic offered was not being moved. The Committee stressed that a thorough study of the capacity available with the Railways should be undertaken on a priority basis with a view to identifying areas or sections where spare capacity was available as also the sections and areas where there were bottlenecks. The areas

constituting bottlenecks should be identified and concerted measures taken to resolve them in full co-ordination with all other modes of transport so as to derive the maximum benefit from the resources spent and the capacities created. The Committee emphasised that the country could not afford to spend scarce resources on investments which did not produce concrete results. The Committee, therefore, recommended that further investments on the Railways should be made judiciously and after most careful and thorough scrutiny.

3. In their action taken reply, the Ministry of Railways (Railway Board) have stated that utilisation of assets to the maximum advantage has always been the constant endeavour of the Railways. It has, however, to be appreciated that the Railways capability to transport any quantum of traffic on the basis of capacity created depends on the existence of normal working conditions. While it is true that the originating tonnage lifted by the Railways was substantially below the target prescribed for them in the Fourth Plan, the capacity available at the end of the Plan was nowhere near the target set for Railways. Firstly, while the target of freight traffic to be lifted in the Fourth Plan was fixed at 240.5 million tonnes, provision of resources was made only for lifting 235 million tonnes of freight traffic. Secondly, while fixing the above target it was envisaged that the average distance of haul of traffic would be around 630 kilometres and as such the total workload for the Railways as reflected by the figures of net tonne kilometres would be $235 \times 630 = 148$ billions. The actual distance of haul over the years has, however, far outstripped the target prescribed..... Railway operations during 1973-74 were far from normal due to stagnation in industrial production notably of coal, steel and cement together with extensive power cuts and also the disturbed conditions of industrial relations which finally culminated in the countrywide strike of Railwaymen in May, 1974. But for this, the Railways would have nearly achieved the performance expected of them during the Fourth Plan. Thirdly, the capacity that was supposed to be generated by the end of Fourth Plan envisaged acquisition of certain number of locomotives and wagons which did not materialise. Thus, against 875 main line diesel and electric locomotives and 68,776 wagons, the actual production achieved was 672 locomotives and 57,608 wagons. Fourthly, an important factor which needs reckoning is that the actual growth of passenger traffic in the Fourth Plan far outstripped the target thereof in the Plan. Taking all these factors into account, a detailed study was undertaken according to which the Railways' capacity for handling freight traffic at the end of the Fourth Five Year Plan, assuming the best possible norms of usage of rolling stock, works out to only 215/220 million

tonnes of originating traffic at current leads. It is, therefore, clear that the capacity available with the Railways is no-where near 240 million tonnes (which, was the target for the Fourth Plan) as assumed by the Planning Commission.

4. The Ministry of Railways (Railway Board) have added that "The Railways are already alive to the need of fuller utilisation of their assets. In this connection, it will be appreciated that the Railways have to depend on the forecast of production and rail transport requirements given by other user Ministries/public sector undertakings controlling the respective sectors. In quite a few cases, changes in the pattern of traffic cannot always be foreseen. Nevertheless, while formulating the traffic forecasts, the Railways are guided by the assessment given by the user Ministries in consultation with the Planning Commission. The capacity created for lifting traffic is constantly under review and action well in time is taken to avoid bottlenecks in movement. The Railways are also alive to the imperative need for judicious investments."

5. In paragraph 2.62 of their Seventy-Fifth Report, the Committee had noted that the draft Fifth Five Year Plan had indicated a target of 300 million tonnes of originating freight traffic to be carried by the Railways by the end of Fifth Five Year Plan period and an addition of 1,00,000 wagons in the existing fleet of wagons. The Committee had noted that the Railways had fixed a target of carrying 240 million tonnes of traffic by 1973-74 but the actual traffic carried by the Railways in 1973-74 amounted to only 184.9 million tonnes. The Committee felt that as the Railway had created sufficient capacity by massive investments in the Fourth Five Year Plan period, they should have no difficulty in achieving the target fixed for the Fifth Five Year Plan by improving their turnround of wagons and cutting down detention time to the minimum. The Committee recommended that the Railways should make concerted efforts in this direction and achieve the targeted traffic for the Fifth Five Year Plan by improving operational efficiency and with minimum investment.

6. In their action taken reply the Ministry of Railways (Railway Board) have *inter alia* stated:

"As regards the Fifth Five Year Plan the Planning Commission had indicated a target of 300 million tonnes of originating freight traffic to be carried by the Railways at the end of the Fifth Five Year Plan. An outlay of Rs. 2,350 crores for railway development programme was

provided for by the Planning Commission to augment the Railways' transport capacity to handle the increased level of traffic and while doing so, provision for rolling stock was made corresponding to only 280 million tonnes of originating traffic. In view of the unprecedented escalation of prices, a reappraisal of the proposed outlay was made by the Railways in 1974 and it was estimated that an outlay of Rs. 3,250 crores would be needed with the physical targets remaining at the original level. This meant an actual outlay of about Rs. 650 crores. Against this, the actual outlay in 1974-75 was only Rs. 335 crores and the outlay provided for in 1975-76 is Rs. 343 crores due obviously to serious constraints of resources. It has now been assessed that with the current level of prices, an outlay of Rs. 2,350 crores as originally planned for, would generate capacity on the Railways to lift about 250 million tonnes only of originating freight traffic at the end of the Fifth Five Year Plan. Railways are no doubt fully alive to the problem of improvement in turn-round of wagons and have already taken a number of steps in that direction. The Committee's recommendation for better operational efficiency is noted."

7. While the Committee recognise that staff agitation, difficult law and order situation, financial constraints and a variety of other factors have adversely affected the railway operations, they are constrained to observe that the failure of the Railways to achieve the target of originating freight traffic in spite of massive investments made in the Railways during the Five Year Plans have had a crippling effect on the economy of the country. The Committee note that during all the Five Year Plans, there has been considerable shortfall in the target fixed for the movement of freight traffic and the actual traffic moved by the Railways.

8. The Committee would in this connection like to draw attention to the following observations of the Railway Convention Committee contained in paragraph 1.13 and 2.43 of their 8th Report of Railways' Fourth and Fifth Five Year Plans and other ancillary matters:—

"The Committee would like to stress that the Railways after having set various targets as a result of such detailed studies should ensure their achievement by providing necessary incentives to the officers concerned who

should be held accountable for lapses, if any. The target and achievements should be critically reviewed every year and corrective measures taken, as necessary. These should also be mentioned specifically and in detail in the Annual Reports of the Railway Board/Zonal Railways. The Committee observe that the Railways have been budgeting for an annual increase of 22 to 15 million tonnes in the Fourth Plan period but the originating traffic has consistently fallen below the targets. Even taking into consideration the revised targets finalised at the time of Mid-term Appraisal in January, 1971 the Committee find that the originating traffic fell short of the targets by 2.5 million tonnes in 1970-71, 12.2 million tonnes in 1971-72, 25 million tonnes in 1972-73 and as much as 55.5 million tonnes in 1973-74. The Committee, are, therefore, unable to accept the contention of the Ministry of Railways that had the Railways carried 215 million tonnes at an average lead of 678 kms., as envisaged for the last year of the Fourth Plan, they would have been within 1 per cent of the prescribed target. In fact, the budgetary anticipations for the last year of the plan were highly over-pitched and could hardly be considered realistic in the context of the Railways' performance in the earlier years of the plan, the stagnation in the economy of which the Railways were undoubtedly quite aware and last but not least, the labour problems besetting them. The Committee are, therefore, driven to the conclusion that the methodology of forecasting the estimates of growth of traffic from year to year, not to speak for the plan as a whole, leaves much to be desired in spite of Railways' long experience in this field. The Committee, however, note that in the interest of coordinated planning, the Railways have necessarily to take into account the targets and requirements as set out by the respective Ministries/Departments and the Planning Commission to obviate any distortion of the planning process. The Committee, would, therefore like the Ministry of Railways to study the matter in depth and take appropriate corrective measures to ensure that the forecasting of growth of traffic is done on a scientific and rational basis in future."

9. In view of the above, the Committee felt that the reasons advanced by the Railways for their failure to achieve the targets

of originating freight traffic during the Third and Fourth Plan periods are not convincing. The Committee therefore, reiterate their earlier recommendations. They would like the Ministry of Railways to ensure that the forecast regarding the growth of traffic and financial outlays therefor are scientific and realistic in future. The Committee have no doubt that with the stabilization and downward trend of prices, the Ministry of Railways would review their requirement of financial outlays to meet the physical targets.

Publicity regarding sections with spare capacity (Sl. No. 15, Para. No. 2.25)

10. In paragraph 2.25 of their Seventy-Fifth Report, the Committee had recommended that "the Railways should, in their annual report, as well as by issuing press communiques periodically publicise the sections where there is spare capacity and the Railways are able to offer wagons for any type of traffic so that the users in that area may take advantage of the facilities so offered to the maximum possible extent."

11. In their action taken reply, the Ministry of Railways (Railway Board) have stated that "There has been a sustained improvement in Railway operations after May, 1974. The Railway lifted 11.45 million tonnes more of revenue earning traffic in 1974-75 as compared to 1973-74. In the current financial year also, revenue earning traffic lifted in the four months ending July, 1975 is 9.73 million tonnes higher than in the corresponding period of last year. As a result, the outstanding wagon demands with the Railways which were 1.36 lakhs on the B.G. and 1.66 lakhs on the M.G. at the beginning of 1975-76, have been brought down to barely 17,000 on B.G. and 31,000 on M.G. by the middle of August, 1975. Railways are meeting all wagon demands currently. The Marketing and Sales Organisation of the Railways is in close contact with the trade and industry and other users with a view to attract more traffic to rail. Adequate publicity is being given to Railway's performance and capacity to life traffic."

12. The Ministry of Railways have further stated that "In view of the breakthrough achieved in loading of traffic and close contact being maintained with the trade, it may not be necessary to publicise the sections where the movement position is relatively easy as it may give rise to a distorted impression regarding the ability of the Railways to move traffic generally and even on other

fully saturated routes. Further, the annual reports of the Railways contain a good deal of statistical technical data and are published much after the close of the financial year. Inclusion of the information proposed by the Committee may not be found useful."

13. While the Committee appreciate that there has been of late an improvement in the loading of traffic they feel that it would be advantageous for the users, general public and the Railways themselves if the Railways adequately publicise the spare capacity available with them and the sections where they are in a position to offer wagons for any type of traffic. The Committee, therefore, reiterate their earlier recommendation.

Delay in execution of projects (Sl. No. 65, Para No. 451)

14. In paragraph 4.51 of their Seventy-Fifth Report the Committee had expressed concern over the delay in completion of projects relating to major ports. The Committee had noted that although the Haldia Project was expected to be completed in 1972 with an estimated cost of Rs. 40 crores, it is now expected to be completed in 1975 only and the estimated cost has already escalated to Rs. 126.74 crores. The result of these delays has been that while in 1973-74 i.e., the last year of the Fourth Plan, the major ports were expected to handle 77 million tonnes of traffic, the ports actually handled a traffic of only 65 million tonnes. The Committee expressed their unhappiness at this tendency on the part of Government to start port development programme without preparation of proper project reports and consequent delays in the execution of projects, which not only resulted in considerable escalation of costs but also hampered the smooth operation of these ports. The Committee recommended that the projects should be taken up for execution only after preparation of detailed project reports with realistic estimates and target dates for completion which should be adhered to. Moreover, it should be ensured that the capacity created in these ports after investment of scarce financial resources, should be fully utilised by increasing the operational efficiency so that the maximum returns from these investments could be obtained. The Committee further recommended that while making fresh investments in major ports, the needs of coastal shipping should be specifically kept in view to meet the increasing role of coastal shipping in the transportation network.

15. In their action taken reply, the Ministry of Shipping and Transport have stated that "Projects are not taken up for execu-

tion without preparation of detailed project Reports and detailed technical scrutiny. However, despite all-out efforts on the part of Government and Port Trusts, sometimes there are slippages in the Commissioning of the projects on account of reasons beyond their control. The recommendation is, however, noted. The needs of coastal shipping are invariably kept in view while formulating proposals under the Five Year Plans, for development of Major Ports."

16. The Ministry of shipping and Transport have further stated "As regards delay in the commissioning of Haldia Dock Project, it may be stated that this project is the first of its type in the country to be wholly planned, designed and executed by Indian engineers and experts. They have been dealing with the various technical and other problems natural to a project of the magnitude and dimensions such as those of Haldia with all the complexities involved. Some of these were the change in the dimensions of the lock on the basis of anticipated availability of deeper draughts as assessed after detailed hydraulic studies, difficulties in lowering the watertable at the lock entrance to the dock system to enable deep excavation being carried out prior to undertaking construction, general shortage of steel and cement, low productivity of labour and unanticipated difficulties in working conditions during the monsoon periods, reducing considerably the availability of working time per year and delay in supply of plant and equipment by some indigenous manufacturers. Efforts have been made to solve the technical problems and to overcome shortage in cement, steel etc. According to present indications, the Dock system is expected to be commissioned in 1976"

17. The Committee find that the reasons given by the Ministry of Shipping and Transport for the delay in the commissioning of Haldia Port reinforce the observation of the Committee that the target date for the completion of the Project was fixed unrealistically without taking all the relevant factors into consideration. The Committee, therefore, reiterate their earlier recommendation.

Delay in submission of report by Joint Technical Group for standardising Inland Craft and equipment

18. In paragraph 5.46 of their Seventy-Fifth Report, the Committee had noted that for standardising inland craft and equipment, Government had constituted a Joint Technical Group in

March, 1969. The draft report was prepared and circulated on 14-9-1973 but it has not yet been finalised so far as the report is yet to be signed by two members. The Committee deplored the casual manner in which the technical group on this important subject had been working. It was a matter of concern that the Group had taken over six years in finalising their report on this important matter. The Committee were unable to appreciate why target dates for the submission of the report by the technical group were not laid by the Government. They desired that the whole matter regarding the abnormal delay in the submission of the report by technical group should be examined by Government and responsibility fixed therefor. The Committee had also urged Government to ensure that the report of this group was finalised immediately and decisions taken by Government thereon within a period of three months and the Committee informed.

19. In their action taken reply, the Ministry of Shipping and Transport have stated "Finalised report has since been received. The matter has been examined and it has been found that the delay in preparation and finalisation of the report has occurred due to the fact that the Convener had multifarious duties to perform. He was in-charge of an undertaking which was faced with a number of problems. The Officer left that organisation about 2-years ago. Subsequently, the finalisation of the report was delayed as the other members were in different parts of the country, one of them being on sailing duty involving trips out of the country. In the circumstances, it is proposed to treat the matter as closed."

20. The Ministry of Shipping and Transport have further stated "The report has been examined and it is found that the Group has not made any positive recommendation. The Group has enclosed drawings of a few vessels which have been satisfactorily used in the various waters of the country and has desired study of some books of references which are internationally known. We are obtaining the services of an international expert on the subject under U.N.D.P. and also to create some supporting facilities in the Directorate."

21. The Committee note that the delay in preparation and finalisation of the report by the Joint Technical Group for standardising inland craft and equipment occurred due to the fact that the Convener had multifarious duties to perform. He was in-charge of an undertaking which was faced with a number of pro-

blems. Subsequent finalisation of the report was delayed as the other members of the Group were in different parts of the country, one of them being on sailing duty involving trips out of the country. The Committee fail to understand why persons who were not in a position to do full justice to their work were appointed as Chairman and members of the Study Group by Government. The Committee are surprised that even when it came to the notice of the Government that the finalisation of the report is being delayed because of the Chairman and members being too busy with their other duties, no action to rectify the situation was taken and no target dates for submission of the report by the Joint Technical Group were fixed. The Committee are of the view that the entire matter was treated in a casual manner.

22. The Committee are surprised to note that even after a lapse of six years, the Joint Technical Group did not make any positive recommendation and the Group only enclosed drawings of a few vessels and desired study of some of the books of reference which are internationally known. This reinforces the view of the Committee that the entire work of the Joint Technical Group was done in a very casual manner. The Committee regret to note that the entire labour and expenditure on the Joint Technical Group has become infructuous besides the loss of time taken in the finalisation of the report. The Committee, therefore, reiterate their earlier recommendation that the whole matter should be examined by Government in detail and responsibility for this sorry state of affairs fixed.

Studies regarding Traffic potential of Inland Water Transport (Serial No. 85, Para No. 5.48)

23. In paragraph 5.48 of their Seventy-Fifth Report, the Committee had recommended that for a realistic long-term planning for inland water transport, a comprehensive study of traffic potential of all the navigable waterways in the country should be undertaken. The Committee further recommended that the scope of coordination of inland water transport with other means of transport and their relative cost benefit study should also be included in this study so as to avoid any duplication in investible resources.

24. In their action taken reply, the Ministry of Shipping and Transport have stated "The above recommendation has been considered and it is proposed to create facilities to coordinate traffic

studies by State Governments. The Directorate will collect traffic data and compile it properly as also advise the State Governments about the traffic prospects with regard to the schemes which they contemplated."

25. The reply furnished by Government is too general. The Committee reiterate their earlier recommendation and recommend that a comprehensive study of the traffic potential of all the navigable waterways in the country should be undertaken at an early date.

Implementation of Committee's recommendation

23. In paragraph 5.48 of their Seventy-Fifth Report, the Committee place the greatest importance to the implementation of the recommendations accepted by Government. They would, therefore, urge that Government should keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In case where it is not possible to implement any accepted recommendation in letter and spirit for any reason, the matter should be reported in time to the Committee with reasons for non-implementation.

The Committee also desire that further information where called for in respect of recommendations included in Chapters II, III and V may be intimated to the Committee expeditiously.

CHAPTER II

RECOMMENDATION THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1, Paras Nos. 1.5 and 1.6)

1.5. It is well known that transport plays a very important part in the economic growth of a country. It is in fact a strategic requirement in a developing economy and is an essential mean for the expansion of both internal and international trade. A good transport system contributes to the economic development of the country in a various ways, i.e., by enlarging the markets, facilitating mobility of manpower and exploitation of resources like raw materials by making them more accessible and by assisting the establishment and expansion of industries etc. It enables goods and passengers to be transported between and within consumption and production centres. Transportation also serves to increase national defence capabilities, social cohesion, national integration and political stability etc. In fact a well-knit and coordinated transportation system is considered to be the life-blood of a nation's commerce trade and industry. The importance of an efficient and coordinated transport system is all the greater in a large country like India which is engaged earnestly in the gigantic task of economic development and social uplift and where the raw materials and finished goods are transported from one part of the country to the other to meet the demands of various sectors of economy and consumers.

1.6. The Committee note that during the four Plan periods, over Rs. 7,100 crores have been spent on the development of various modes of transport in the country viz., railways, roads, shipping and inland water transport. In spite of these massive investments made in the various Five Year Plans, there have been strains and bottlenecks in the smooth and efficient movement of goods and passengers. The recent transport bottlenecks experienced in the country and its consequent adverse impact on national economy has given a new dimension and urgency to the development of transport in the country in an integrated and coordinated manner. The Committee consider that all modes of transport should be planned and developed in such a manner as to force a supplementary and complementary

relationship among them. The transport system should, *inter-alia*, aim at opening up the country-side, stimulating the growth of under-developed and less developed areas integrating the large rural sector of the economy with the country's urban and industrial economy and providing cheap and efficient transport facilities to the users on a large scale. The Committee would further like to emphasise that a well-balanced and coordinated network of transport system is a basic requirement of the economy of the country as any bottleneck in the transport system results in artificial shortages which not only disturbs the efficient and economic production of goods and services but also results in mal-functioning of distributing machinery by creating a climate of scarcities and causing wide spread hardships to the population in general. The Committee, therefore, recommended that Government should take well-planned and coordinated measures for the optimum utilisation of the transport capacity already created in the country and for the further development of the various means of transport so that the transport system in the country may be able not only to meet the current demands but also future needs of our developing economy.

Reply of Government

Government have taken note of the observations of the Committee. The suggestion in the concluding sentence of para 1.6 in regard to optimum utilisation of the existing transport capacity is kept in view, while formulating the Fifth and Annual Plans in respect of various modes of transport.

[Ministry of Shipping and Transport O.M. No. TRC (19) /75, dated 25-11-75].

Further Information called for by the Committee

The precise steps taken by Government to ensure the optimum utilisation of the existing transport capacity may be intimated.

[Lok Sabha Sectt. O.M. No. 5/22/EC/75, dated 7-2-1976].

Further Reply of Government

As indicated in the earlier reply to this recommendation, the need for optimum utilisation of the various existing modes of transport is kept in view while formulating the Five Year Plan and Annual Plans. In making sectoral allocation of funds, this aspect is given

consideration. Further investment in any particular mode is made only after ensuring that the overall national economy would justify it.

[Ministry of Shipping and Transport O.M. No. TRC (25)/75,
dated 27-2-1976].

Recommendation (Serial No. 2, Para No. 1.7)

The Committee note that all the world over Inland Water Transport has been recognised as the cheapest mode of transport and there is growing tendency in developed as well as developing countries to increasingly utilise Inland Water Transport and coastal shipping wherever possible for transport purposes. Moreover because of the facility of quick transit and delivery at the consumers' door, the share of road transport *vis-a-vis* Railways in the total transport system is on the increase. However, in India, the share of Inland Water Transport and Coastal Shipping is continuously on the decline and at present forms an insignificant portion of the total inland transport. Moreover, in spite of massive investments made in the Five Year Plans, the share of railways in the total transport is on the decline. In freight traffic it has gone from 89.8 per cent in 1950-51 to 65.3 per cent in 1973-74 and in passenger traffic from 75.1 per cent in 1950-51 to 51.1 per cent in 1973-74. The Committee would like Government to take note of world trends and our own experience in formulating a perspective planning for the development of transport network in the country. They would also urge the Government to ensure that the built in capacity in the various modes of transport is utilised to the maximum. Moreover, any future investments in transport sector should be planned in such a way as to remove transport bottlenecks and to create capacities in the most needed and best suited and economical means of transport.

Reply of Government

The observations of the Committee have been noted.

Recommendation (Serial No. 4, Para No. 1.30)

The Committee note that transport sector in the economy, comprises a number of distinct services namely, railways, road transport, shipping, inland water transport and civil air transport which are managed and controlled by different authorities. In view of the fact that transport projects require heavy capital investment and in

view of the present constraints of resources, it is of vital importance that optimum utilisation is made of the capacities already created for each mode of transport so as to provide maximum facilities to the public and country at large at minimum costs to the community. This would become possible if there is effective coordination amongst the various transport authorities. The Committee note that the Fifth Plan envisages steep increases in the production target of bulk commodities like coal, pig-iron, iron ore, cement etc. For instance, the production of coal is expected to increase from 80 million tonnes per annum at the end of the Fourth Plan to about 135 million tonnes by 1978-79, of steel and pig-iron from 7 million tonnes to nearly 12 million tonnes, of iron ore from about 39 million tonnes to about 58 million tonnes etc.

Reply of Government

This observation has been noted in connection with the future planning of transport capacity.

Recommendation (Serial No. 7, Para No. 1.33)

The Committee further note that at present the Transport Development Council do not have any forum to hear the views of representative of the users and road transport operators and that the Advisory Committee for Rail, Road and Water transport which was set up in 1958 was wound up in 1966 as an economy measure. The Committee are surprised that Government have not considered it desirable to have any forum of consultation with the users and operators of road transport so as to remain in touch with the practical difficulties being faced by the public and the road transport operators and in the name of an economy of few thousand rupees, the only forum for the purpose was wound up. The Committee recommend that Government should appoint an Advisory Committee consisting of representatives of Ministries of the Government of India, concerned with various transport services and State Governments and the interests of major users like organisations representing commerce, industry, manufacturers and transport operators so that problems of mutual interest could be discussed.

Reply of Government

Government accept the recommendation, in principle, and propose to constitute an Advisory Committee, as suggested. Details

regarding the composition and terms of reference of the Committee, periodicity of its meeting etc., are being finalised.

Comments of the Committee

Details regarding composition and terms of reference etc. of the proposed Advisory Committee, when finalised may be intimated to the Committee.

Recommendation (Serial No. 10, Para No. 2.6)

The Committee note that Railways occupy a predominant position in the transport system in the country and as much as 65 per cent of the freight traffic and nearly 51 per cent of the passenger traffic is being carried by the Railways, have a total capital investment of about Rs. 3,890 crores, employ about 17 lakh persons and earn an annual gross revenue of over Rs. 1100 crores. The Committee note that as much as 80 per cent of the freight traffic carried by the Railways consist of bulk commodities like coal, foodgrains, iron ore, cement etc. In view of the considerable increase expected in the production of these commodities during the Fifth Plan period which is estimated to be 55 million tonnes in respect of coal, 19 million tonnes in respect of iron ore and 5 million tonnes in respect of pig iron the Railways would be required to carry substantial amount of additional traffic in the coming year. It is therefore of utmost importance that the Railways should make concerted efforts to move this additional traffic by detailed planning of movements and Linkage optimum utilisation of the existing capacity, better management, greater operational efficiency and economy.

Reply of Government

The observations of the Committee are noted. It is the constant endeavour of the Railways to improve their operational efficiency and to carry additional traffic in a programmed and planned manner. Close coordination is, therefore, maintained with the Planning Commission and the concerned Ministries to determine the quantum and pattern of traffic offering and to plan for rolling stock and line capacity for handling the same.

Recommendation (Serial No. 13, Para No. 2.23)

The Committee note that all the world over, the trend is that Railways carry about 50 per cent of the total freight traffic (against

60 per cent in 1952) roads carry 30 per cent (against about 20 per cent in 1952), water transport including coastal shipping 10 per cent and pipelines 10 per cent. In India, the Railways carry about 65 per cent of the total freight traffic. As time goes on, the share of Railways in the total freight carried may well come down. Moreover, there have been remarkable technical progress in the field on transmission through pipeline of not only petroleum products but also of coal and iron ore in the form of slurry. The Committee would like Government to keep this world trend in view while taking decisions about future investment on Railways.

Reply of Government

Observations of the Committee are noted.

Recommendation (Serial No. 14 Para 2.24)

The Committee note that the payload carried by the Railways can be increased by introducing heavier trains. The Committee recommend that as running of heavier train loads will go a long way in obviating expenditure on doubling etc., Railways should take necessary measures for introducing running of heavier train loads.

Reply of Government

The maximum payload carried on each train is limited by the length of the train which has to be such that can be accommodated within the existing loops. The standard loop lengths provided on the B.G. system are such that freight trains can have a maximum of 70 4-wheeler wagons which gives a trailing load of approximately 2350 tonnes. In case of freight trains with BOX type stock the maximum trailing load can be 3600 tonnes. Presently, trains to this maximum trailing loads are being run depending upon the terrain and the haulage capacity of the locomotives.

The Railways have, however, been considering the question of increasing the trailing loads of freight trains by introducing a new design of wagons with shorter lengths. A high level Working Group has been set up to examine the feasibility of introduction of freight trains with heavier trailing loads. Since technical problems and financial inputs are involved, both with regard to rolling stock

Further information called for by the Committee

"Please intimate if the Working Group has since submitted their Report? If so, a copy of the report of Working Group may be intimated to the Committee."

Further reply of Government

Based on the deliberations of the Working Group, RDSO has since been asked to prepare design details of the new type of wagon with shorter length to give trailing loads to the optimum level of 4500 tonnes within the existing loop lengths. The revised B.G. standard of loading for the bridges now laid down is such as would permit running of heavier freight trains. A few routes on the basis of traffic pattern, have been identified where optimum advantage can be achieved, which would require rebuilding (strengthening of such bridges that are presently not adequate for heavier freight trains.

Recommendation (Serial No. 16, Para No. 2.31)

The Committee note that about four-fifth of the total freight traffic carried by the Railways consists of bulk commodities. The

share of these commodities in the revenue earnings freight carried by the Railway increased from 58.2 per cent in 1950-51 to 80.6 per cent in 1973. The Committee further note that during the Fifth Plan period, considerable increase is contemplated in the production of these commodities, e.g., the production of coal is expected to increase from 80 million tonnes in 1973-74 to 140 million tonnes in 1978-79, of iron-ore from 37 million tonnes in 1973-74 to 58 million tonnes in 1978-79, of cement from 16 million tonnes in 1973-74 to 25 million tonnes and of finished steel from 5.44 million tonnes in 1973-74 to 9.4 million tonnes by 1978-79. The Committee further note that number of thermal power stations are proposed to be set up in the South during the Fifth Plan period which will get their supply of coal mostly from Bengal-Bihar coalfields. All of these will involve considerable increase in demand on railways for transport of these commodities in the years to come. The Committee would like to stress that this emphasises the need for an integrated well-coordinated planning on the part of the railways to ensure that adequate transport capacity is available to transport these commodities to the producing centres and the products from the producing centres to consuming centres so that the absence of transport infrastructure may not serve as a constraint to the development of the economy. The Committee feel that by increasing their operational efficiency and full utilisation of their capacity by improving turn-round of wagons, reducing detention time etc., the Railways would be in a position to meet the situation.

Reply of Government

The observations of the Committee are noted. It is the constant endeavour of the Railways to improve their operational efficiency by making optimum use of their assets and to carry additional traffic in a planned and programmed manner. Close coordination is maintained with the Planning Commission and concerned Ministries to determine the quantum and pattern of traffic offering and to plan for rolling stock and line capacity for handling the same.

Recommendation (Serial No. 17, Para No. 2.32)

The Committee need hardly emphasize that linkage of the major consuming centres with producing centres of raw materials like coal, iron-ore, lime-stone are imperative for an efficient transport system so as to avoid unnecessary load in movement of these commodities. It is well known that longer routes and increased leads results in higher costs which should be kept to the minimum.

Reply of Government

The observations of the Committee are noted. It may be mentioned here that it is the constant endeavour of the Railways to evolve an economic rail transport system by linking the major consumer centres with raw material producing centres so as to avoid long leads.

In respect of coal which is the biggest single item of traffic now being carried by the Railways, the following steps have, *inter-alia*, been taken in this regard:

- (i) Coal to Steel Plants has been linked with the nearest coal-field producing coking coal. Individual washeries are also linked with nearest coking coal collieries.
- (ii) Coal to power houses in each region has been linked with the nearest coal-field.
- (iii) Linkages have also been established with different fields for the cement plants situated in different parts of the country e.g. the cement plants situated in the Western Sector are Linked to the Central India Coal fields and the Pench field and the Cement Plants situated in the South are first linked with Singareni coalfields and then to Talcher fields and thereafter, if need be, to Bengal-Bihar fields.
- (iv) The requirements of loco coal of the Zonal Railways are also linked with nearest coal fields.

Similarly well established, optimum patterns of traffic have been developed for supplying raw material like Iron Ore, limestone etc. to Steel Plants.

Recommendation (Serial Nos. 19 and 20, Para Nos. 2.43 and 2.44)

2.43. The Committee note that Railways are a service organisation, being run on commercial lines and the performance of the Railways will ultimately be judged by their performance in the field of speedy and safe transport of goods at competitive rates. They regret to note from the memorandum submitted to them by the representative organisations of trade and industry in the country as well as their discussions with the various organisation of users of Railways that there are general complaints about the working of Railways. Booking are not easily done, wagons are not made available in time, there is undue delay in the transport of goods, there are widespread thefts

and pilferage of goods on the way, there are no proper handling facilities at the Railway stations and claims are not settled expeditiously. It has also been represented to the Committee that Railways are not suffering for lack of traffic, it is the traffic which is suffering for want of railway wagons. While on the one hand, railway earnings have fallen short of estimates, there are stockpiles of industrial raw materials and consigner goods that are awaiting transportation and the wagons for the same are not available. The very fact that the high rated traffic is slowly going away from the Railways to the road transport and the deteriorating financial position of the Railways are indicative of the fact that the performance of the Railways is not satisfactory and considerable improvement is needed in the working of the Railways to give better service to the users. Moreover, the fact that the percentage of amount of compensation paid to gross earnings had increased from 1.03 in 1965-66 to 1.65 in 1973-74 and the average time taken in settlement of claims had gone up from 32 days in 1965-66 to 50 days in 1973-74 further confirms that the complaints of increase in pilferage and delay in settlement of claims are justified.

2.44. The Committee note from the evidence of the representative of the Ministry of Railways that the Railways have taken a number of steps like, introduction of Quick Transit Service, Container Service, opening booking agencies etc., and are making efforts to act high-rated traffic. The Committee also note that Railways have introduced a freight forwarder scheme by which agents of the Railways go and collect small traffic from parties, book them as wagon loads from goods shed and these are despatched by Quick Transit Service. The Railways have also introduced collection and delivery services in important towns is being gradually extended. The Committee would, however, like to emphasise that in view of the increased competition from road transport in the matter of transport of high-rated traffic, the Railways will have to make concerted efforts to improve their credibility with the users if they want to attract high-rated and other freight traffic by giving more speedy, quick and pilferage-free service to users. The Committee would further urge that the Railways should maintain close liaison and contact with the users like business and industrial interests at the Divisional and station levels to gain first hand knowledge about their difficulties and should evolve a suitable machinery to resolve them without delay. Moreover, concerted measures should be taken to eliminate pilferage and thefts of goods during transit as well as in the yards. It is also necessary that claims are settled expeditiously.

Reply of Government

The observations of the Estimates Committee are noted.

The Railways are making concerted efforts to give a speedier, quicker and pilferage-free service to users. The quick transit express trains are being extended. Point-to-point goods train services with considerable reduction in the transit time are being introduced. Railways are also maintaining close liaison and contact with the users like business and trade and industrial interest at all levels. There are station Committees at important stations where the local trade interests are also represented. There are divisional and zonal Railway Users' Consultative Committees where Passenger Associations, Chambers of Commerce and other trade interests are represented. Regular meetings are held with these bodies. Apart from this Railway officers meet Chambers of Commerce and local trade associations regularly.

To prevent incidents of theft and pilferage, security measures have been tightened up and claims prevention measures have been intensified on the Railways. Efforts are also being made to settle claims expeditiously.

Recommendation (Serial No. 21, Para No. 2.50)

The Committee note that all the world over, there is an increasing trend towards containerisation as the container service provides an efficient door-to-door service, eliminates multiple intermediate handling, thereby minimising damage and pilferage claims, improving turn round of rolling stock and resulting in reduction of labour costs. The Committee further note that Britain's highly developed freight liner system now carries over 6 lakh containers annually. Japan's National Railways are operating more than 100 liner train services, including the non-stop container service between Tokyo and Osaka. INTER-CONTAINER, an international association for trans-container traffic representing 19 rail systems in Europe has introduced a large number of liner trains connecting principal cities and ports on the continent and handles 20,000 containers per month. The Committee also note that the Railways in India have also introduced container service since 1966 and at present is in operation on 11 routes. The Committee feel that as the container service is particularly useful for the transport of costly and fragile cargo over long distances, this provides a good opportunity to Railways to attract high-rated cargo, by eliminating the present complaints of delay in transportation, pilferage and theft *en route* and at transshipment

points. The Committee, however, note that as against the total originating freight traffic of nearly 200 million tonnes carried by the Indian Railways at present, only about 96,650 tonnes are carried through containers which constitutes hardly 0.05 per cent of the total traffic carried by the Indian Railways. The Committee recommend that Railways should make concerted and determined efforts to introduce container services on more routes and should aim at introducing liner train services including non-stop container service.

Reply of Government

Container service on the Indian Railways, which during 1973-74 was in operation on 11 routes, has since been introduced on one more route, viz., between Pune and Madras with effect from 20-12-1974, thus making a total of 12 routes. Despite the Railwaymen's strike in May '74 and its aftermath, the Railways achieved an improvement in the container services during 1974-75, in terms of number of containers loaded, tonnage of goods lifted and freight earned, as compared to the performance during the preceding year, as shown below:—

	1973-74	1974-75	Variation over preceding year
(i) Total number of containers loaded .	29,204	30,329	(+)1,125 (3.8%)
(ii) Weight lifted (in tonnes)	96,650	103,064	(+)6,414 (6.6%)
(iii) Gross freight earnings (in lakhs of Rs.)	157.38	203.58	(+)46.20 (29.3%)

The container service achieved a break-through in the months of July and August of the current year. The loading of containers crossed the 3000 mark for the first time in July '75 with a total loading of 3142 containers. Again, during Aug. '75 the overall loading increased further, creating an all time record of 3181 containers. A close watch is being maintained on the functioning of the container services and all possible steps are being taken to effect further improvement in the performance. Proposals for extension of the container service to 3 more routes, viz., Secunderabad-New Delhi, Secunderabad-Calcutta and Secunderabad-Madras are under consideration.

The feasibility of introducing container liner trains between specific points has been examined in detail. It has been found that the existing as well as anticipated levels of traffic will not justify running of container liner trains for quite some time to come. It may, however, been mentioned that on most of the routes, the containers are being hauled by Super Express Goods trains, which

are run to fixed timings like passenger-carrying trains. Running of these Super Express Goods trains is under constant watch with a view to ensuring their punctuality and eliminating delays and detentions *en route*.

Recommendation (Serial No. 24, Para No. 2.63)

The Committee note that turn-round time of wagons has increased from 11.00 days in 1963-64 to 15.3 days till December, 1974 in respect of B.G. wagons and from 8.29 days in 1963-64 to 12.6 days till December, 1974 in respect of M.G. wagons and that the detention of wagons particularly in steel plants, collieries etc. is on the increase. The Committee would like to point out that this has led to the unnecessary blocking of rolling stock of Railways leading to their non-utilisation and denial of transport facilities to users. The Committee would like to draw the attention of the Ministry of Railways to the fact that at many of the railway yards, goods are not being unloaded for long periods from the wagons which are virtually being used as warehouses by the business-men. The Committee would like Railway authorities to go into the matter in depth and evolve suitable steps to ensure that such unfair and undesirable practices are put to an end immediately.

Reply of Government

The observations of the Committee are noted. With a view to curb the tendency on the part of the trade misuse the wagons as warehouses and also to ensure that traders remove their goods from the Goods Sheds quickly, the demurrage and wharfage charges were revised w.e.f. 1-12-1972. The period for which railways are responsible for safe custody of goods as carriers has also been reduced from 30 days to 7 days. In addition a proposal is also under consideration to amend the Indian Railways Act so that at certain notified stations and during certain specified periods where consignments get held up, the Railways are empowered to dispose of the consignments not taken delivery of within 7 days of termination of transit.

[Ministry of Railways (Railway Board)'s O. M. No. 75-BC-EC/V/75
dated 11-9-1975]

Further Information called for by the Committee

Recommendation (Serial No. 24, Para No. 2.63)

Please intimate if any decision has been taken on the proposal of empowering the Railways to dispose of the consignments not taken delivery of within 7 days of termination of transit.

[Lok Sabha Secretariat O.M. No. 5|22|EC|75 dt. 7-2-1976]

Further Reply of Government

The Indian Railways Act 1890 has been amended with effect from 25th September, 1975, empowering the Railways to dispose of consignments not taken delivery of within 7 days after termination of transit at certain notified stations for certain specified periods notified in the official Gazette from time to time. Four new Sections 56B, 56C, 56D, and 56E have been inserted in the Act.

[Ministry of Railways (Railway Board)'s O.M. No. 75/BC/EC/V/75 dated 3-1976]

Recommendation (Serial No. 27, Para No. 2.78)

The Committee note that it has been widely accepted that railways are most suited for long haulage of goods particularly, bulk commodities while road transport is more suitable for haulage of goods for short distances because of its advantage of door to door delivery and quick transit. It is, however, a matter of concern that there is a growing tendency in the country for haulage of goods even for long distances by road. The Committee feel that in the present context of energy crisis when there is an urgent need for every possible economy in the consumption of petroleum products, it is imperative that this tendency should be discouraged. The Committee feel that this can be best done by Railways tonning up their efficiency and providing quick, efficient and pilferage-free service to the users and by making available wagons easily. The Committee feel that with the heavy investments made in the Railways and a large capacity available, it should not be difficult for them to provide such a service. The main thing is for the Railways to tone up their operational efficiency and make concerted efforts to improve turn-out of wagons and refuse loading, unloading and detention time, and prevent pilferages and thefts. The Committee note the statement made by the representative of the Ministry of Railways that working of the Railways had considerably improved and the Railways are now, by and large, in a position to carry out amount of traffic offered to them. The Committee recommend that the Government should evolve an effective machinery to maintain full coordination between the different modes of transport so that goods may be transported in the country at minimum cost to the community and there is no duplication and avoidable wastage of scarce resources.

Reply of Government

The need for achieving co-ordination between the different modes of transport has been accepted by the Government in the light of the various recommendations made by the Committee on Transport.

port Policy and Coordination with particular reference to the fact that in a developing economy, such as ours, with scarce resources, there should be no duplication and avoidable competition. The Ministry of Shipping and Transport are the Administrative Ministry for achieving this.

2. For achieving co-ordination in the field of passengers services, Railways are participating financially in the State Road Transport Corporations set up by the various State Governments. Such corporations are now in operation in 14 States. A proposal to set up a Corporation in Manipur State is also under consideration. The capital contribution made by the Railways in these Corporations stood at over Rs. 35 crores at the end of the Fourth Plan. A provision of Rs. 30 crores has been made in the Railways during Fifth plan for investment in the Road Services.

3. By virtue of this financial participation, senior Railway officers represent the Railways on the Board of Directors of each State Road Transport Corporation. The main functions of these representatives are to see that the Corporations work effectively, the objective of Rail-Road Co-ordination are achieved and the activities conform to the general policy in force.

4. As far as freight traffic is concerned the Railways are aware of the need for effective co-ordination particularly with road transport because at present there is not much effective co-ordination. This is because road transport is almost entirely in the hands of private operators and there has been a liberal issue of permits by the State Governments even on inter-State long distance routes on which capacity exists on the Railways.

5. There is a high level body i.e. the Transport Development Council at the Centre. The Chairman of the Council is the Union Minister for Shipping and Transport and members are the Union Minister for Railways and the Transport Ministers of State Governments. The Council looks into the major problems and policies with regard to transport development and co-ordination.

6. At the State level there are State Transport Advisory Committees/Boards in which Railways are also represented for effecting co-ordination. It has also been suggested by the Transport Development Council to the State Governments to constitute the Transport Development Councils at the State level giving representations to the Railways. Two of the States namely Tamil Nadu and West Bengal have established the State Transport Development Councils.

7. The Ministry of Railways consider that the most important step which is urgently required to be taken is the re-constitution of the inter-state Transport Commission, which has a positive rôle to play in the over-all interest of the country. Because inter-state movements of goods by road which is in the main long distance movement calls for special attention and study in the allocation of traffic. Inter-state Transport Commission, duly strengthened and vested with the complete range of power contemplated for the Commission under Section 63A(2) of the Motor Vehicle Act, 1939 including the powers to grant, revoke or suspend permits for the operation of the Transport vehicles on inter-state routes, working in close collaboration with State Transport Authorities and the Railways should assess the requirements of the inter-state Road Transport keeping in view the need of coordination between different modes of transport.

8. The Ministry of Shipping & Transport have, however, stated that in regard to the re-constitution of the Inter-State Transport Commission, strengthening it and vesting it with the complete range of powers envisaged under the Motor Vehicles Act the State Governments have been opposed to the delegation of the powers to grant inter-state permits to the Commission. The regulation of inter-state traffic would still be the responsibility of the State Governments even after the powers of the Section 63(A)2D are delegated to the Commission. It is, therefore, necessary for the Central Government and the State Governments to act in a co-ordinated manner so as to avoid overlapping and duplication of functions in respect of the same area|region|route. No useful purpose would be served by re-constituting the Commission unless it has the powers to grant inter-state permits. It may also be mentioned in this connection that with the introduction of the zonal permits schemes and the national permitting scheme steps have been taken in the direction of the removal of constraints on the inter-state movement of the goods.

9. The suggestion made by the Ministry of Railways that their representatives should be nominated on the State and Regional Transport Authorities has been accepted by the Transport Development Council and Ministry of Shipping & Transport are taking necessary action to amend the Motor Vehicles Act 1939 for the purpose.

Recommendation (Serial No. 28, Para No. 2.79)

The Committee would also like to emphasise the need for maintaining coordination with the coastal shipping so as to utilise this mode of transport to the utmost possible extent. The Committee

feel that with the extensive coastline and a number of ports and harbours in the country, there is considerable scope for the utilisation of coastal shipping for solving the problem of transport in the country. There is thus a pressing need for long term planning and undisturbed linkages to assure traffic. Close coordination between road, rail and coastal shipping is necessary to ensure that there is no wasteful duplication of efforts in promoting these modes of transportation.

Reply of Government

Government have noted the observations of the Committee for compliance.

Reply furnished by the Ministry of Railways

The Ministry of Railways agree with the recommendation.

Recommendation (Serial No. 30, Para No. 3.7)

The Committee note that road Transport is one of the most promising and potent means for rapid industrial and agricultural advancement. Road Transport provides the basic infrastructure for bringing the majority of the people who are living in far-off villages into the mainstream of life by connecting them with the rest of the country. The Committee further note that while railways occupy the predominant position in the transport network in the country, the role of road transport has steadily been increasing. The share of road transport has risen from 24.9 per cent in 1950-51 to 48.9 per cent in 1973-74 in the matter of passenger traffic and from 10.2 per cent in 1950-51 to 34.7 per cent in 1973-74 in the matter of goods traffic. The Committee further note that with the spread of green revolution in the country and industrial growth and opening up of new areas, the road transport will assume greater importance as the growing demands for supply of inputs like fertiliser, seeds etc. as well as the transport of agricultural produce to markets will have to be met largely by road transport. The Committee feel that road transport has also a vital-role to play in the development and opening up of backward and interior remote areas of the country. The Committee has discussed in the subsequent portions of the Chapter **the problems being faced and constraints on the road transport in the country.** The Committee urge that Government should accord increasing importance to the road transport and take concerted measures to help the growth of road transport on healthy lines so that the road transport may play its desired role in the economy of the country.

Reply of Government

Government are aware of the increasing importance of road transport for the country's economy. All possible measures are, therefore, being taken for its development. The administrative inconvenience and procedural difficulties involved in the grant of permits for operation of goods vehicles on long-distance. Inter-State routes have been removed to an appreciable extent by the introduction of Zonal Permit Schemes for goods vehicles. Three Zonal Schemes viz., North, West & South are already in operation and another one (Central Zone) is expected to be brought into force from 1-10-75. The Fifth Scheme (Eastern Zone) is also likely to be finalised by the end of 1975. Under the Zonal Schemes, the operator of a goods vehicle is required to pay the full taxes to the Home State and a composite fee, as specified in the Scheme, for each of the other States in the Zone. Payment of the taxes due in respect of the other States is also made in the Home State, which makes arrangements for passing on the amounts to the concerned States.

2. As a further step towards removal of constraints on the movement of goods vehicles, a Scheme of National Permits for Road Transport is being introduced as part of the 20-point economic programme. The draft Scheme prepared by the Ministry of Shipping & Transport in this behalf was considered at a meeting with the State Transport Secretaries on the 20th August, 1975. The Scheme was broadly accepted, subject to some modifications. It is proposed to accept these modifications and action is being taken to amend the Motor Vehicles Act, 1939, suitably for facilitating the implementation of the Scheme. Under the National Permit Scheme an operator will have to choose a minimum of four contiguous States for operation of his vehicles besides the Home State. While the full taxes will be paid in the Home State, a composite fee of Rs. 700 per annum for each other State and Rs. 150/- per annum for each other Union Territory, chosen for operation, will be paid by the owners of the vehicles. It is proposed to make a modest beginning by providing for the issue of 5250 National Permits. The quota for each State and Union Territory will be determined and specified by the Central Govt. on the basis of the total number of goods vehicles in the State or Union Territory. It also proposed to issue guidelines to the State Govts. to obviate certain mal-practices and ensure that National Permits are distributed as widely as possible and that benami transactions in these permits do not take place. It is also proposed to provide for preference to certain categories of applicants in the grant of these permits.

For the time being, the Zonal Schemes will continue side by side with the National Scheme. It is, however, proposed to consider the need for the Zonal Schemes afresh at the time of review of the working of the National Permit Scheme after one year.

[Ministry of Shipping and Transport O.M. No. TRC (10) | 75
dated 29-3-1975]

Further Information called for by the Committee

Please state if the guidelines have been issued to the State Governments to obviate certain malpractices and ensure that National Permits are distributed as widely as possible? If so, please furnish a copy of the guidelines.

[Lok Sabha Secretariat O.M. No. 5|22|EC|75,
dated 7-2-1976]

Further Reply of Government

Yes, Guidelines have been sent to the State Governments for being kept in view by the Transport Authorities while granting national permits. A copy of these guidelines is attached.

[Ministry of Shipping and Transport O.M. No. TRC (25) | 75,
dated 27-2-1976]

Recommendation (Serial No. 32, Para Nos. 3.33 and 3.34)

The Committee note that one of the main problems being faced by road transport vehicles is the restrictions imposed on the movement of these vehicles from one State to another. The Committee feel that in view of the increasing demand for transport facilities in the country and increasing role of road transport for movement of goods and passengers, it is imperative that road transport vehicles should be allowed an unrestricted movement so as to transport maximum amount of goods to the various parts of the country.

The Committee note that Inter-State Transport Commission has initiated zonal schemes for the issue of permits, according to which vehicles issued these permits, will be eligible to ply within the States covered under the scheme and that three schemes viz., South Zone Permit Scheme covering the States of Andhra Pradesh, Kerala, Tamil Nadu, Maharashtra and Mysore, Western Zone Scheme covering the States|Union Territories of Punjab, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujarat, Maharashtra and Delhi

and the Northern Zone Scheme covering the States/Union Territories of Jammu and Kashmir, Himachal Pradesh, Punjab, Haryana, Chandigarh, Rajasthan, Delhi, Uttar Pradesh, Bihar and West Bengal are already in operation and two more schemes viz. Eastern Zone and Central Zone schemes are in the process of being finalised. The Committee also note that the Commission had taken up the matter for having a single permits for road transport operations throughout the country. While welcoming these schemes, the Committee would like to emphasise that these schemes which are under consideration should be pursued vigorously and finalised at an early date.

Reply of Government

This is covered by the reply given to Recommendation No. 30 (Para No. 3.7).

[Ministry of Shipping and Transport O.M. No. TRC(10)/75
dated 29-3-1975]

Further information called for by the Committee

Please intimate if the Zonal Schemes for Central and Eastern Zones which were expected to be finalised by the end of 1975 has since been introduced.

[Lok Sabha Secretariat O.M. No. 5/22/EC/75, dated 7-2-1976]

Further Reply of Government

The Central Zone Scheme came into operation w.e.f. 1-10-75. So far as the Eastern Zone system is concerned, all the concerned States have since completed the procedural formalities and only the final signing of the Agreement remains to be done. This is expected to be done soon.

[Ministry of Shipping and Transport O.M. No. TRC (25)/75
dated 27-2-1976]

Recommendation (Serial No. 43, Para No. 3.79)

The Committee note that as most of the transport operators are owners of single vehicles only, a class of middlemen have come into existence who charge considerable margin of profit amounting even to 50 per cent of total freight charged and resort to other mal-

practices also with their result that actual operators or the transport vehicle is deprived of a major share of his earnings. The Committee further note that there has been mushroom growth of booking agencies which do not maintain any proper records nor adopt any standard procedures for carrying on their working. The Committee regret to note that although the malpractices being resorted to by these operators have been pointed out by the organisations of Transport Operators and a number of Government Committees like the Committee on Transport Policy and Coordination, 1966 and Road Transport Taxation Enquiry Committee, 1967, it was only in September, 1970 that necessary provisions were included in the Motor Vehicles Act by incorporating for licensing of persons engaged in the business of collecting, forwarding or distributing goods carried by public carriers. However, the Committee note that these rules have not been implemented in any of the States so far as the rules framed by the Delhi Administration have been challenged in the Supreme Court through a Writ Petition and the Writ Petition has been pending since July 1973. While the Committee would not like to comment on the merits of the case in view of the case being sub-judice the Committee would like Government to take all possible measures to get the case disposed of expeditiously in the Supreme Court and take necessary action for the regulation of these booking agencies so as to put an end to the exploitation of genuine transport operators

Reply of Government

The rules relating to licensing of goods booking agencies framed by some other States e.g. Karanataka, Kerala, Maharashtra have also been challenged.

2. A clarification was obtained from the Registrar, Supreme Court that the said stay granted by that Court was applicable only in relation to the writ Petition filed by the New U.P., Rajasthan Transport Co. Subsequently, a large number of writ petitions (more than 200) have been filed in the Supreme Court against the Delhi Rules. The Delhi Administration have been requested to move an application requesting the court to take up hearing in the Writ Petitions expeditiously. The Administration have already filed a counter-affidavit replying to the points raised in the writ petitions. There was a further hearing on 8th September, 1975, when the Advocates appearing on behalf of the Defendants were asked to file their remarks in reply to the Delhi Administration's counter

Affidavit. Further hearing is expected to take place shortly. The Delhi Administration are taking all possible steps to get the decision of the Supreme Court expedited. In the light of the Supreme Court's judgement, the States and Union Territories will be requested to enforce the rules for the licensing of booking agencies.

[Ministry of Shipping and Transport O.M. No. TRC(16)/75
dated 6-10-1975]

Further information called for by the Committee

Please intimate the present position of the case regarding the Writ Petition in the Supreme Court.

[Lok Sabha Secretariat O.M. No. 5/22/EC/75, dated 7-2-1976]

Further Reply of Government

The writ petition filed in the Supreme Court has been allowed to be withdrawn. As a result, a Circular was issued to the State Governments in December, 1975, urging them to take immediate action for enforcing the system of licensing of goods booking agencies.

[Ministry of Shipping and Transport O.M. No. TRC(25)/75
dated 27-2-1976]

Comments of the Committee

The steps taken by State Governments for enforcing the system of licensing of goods booking agencies may be intimated to the Committee.

Recommendation (Serial No. 47, Para Nos. 3.106 and 3.107)

The Committee note that all the world over, truck-trailer combinations are operating but in India the truck-trailer combinations are not in use. The Committee further note that by allowing the plying of truck-trailer combinations not only more goods can be transported increasing the much needed transport capacity but there can be considerable saving in fuel, amounting to about 25 per cent in the fuel consumption. The Committee feel that in view of the considerable transport bottlenecks being experienced in the country and need for economy in fuel consumption in the context of energy crisis, Government should make concerted efforts to introduce the plying of truck-trailer/tractor trailer combination in the country.

2. The Committee note that the main difficulty in the way of introducing truck-trailer combinations is that the existing Highways are not suitable for their plying because of weak culverts, weak bridges and inadequate road width. The Committee further note that an investment of Rs. 266 crores would be required to make the four connecting Highways between Bombay, Calcutta, Madras and Delhi suitable for plying of these combinations. In view of the fact that currently the annual allocations for all the national highways is of the order of Rs. 45 crores only, it will take a long time for these highways to be suitably strengthened for the plying of truck-trailer combinations. The Committee have already emphasised in an earlier section the urgent need for stepping up the allocation for National Highways. The Committee recommend that in view of the urgent need for plying of truck-trailer combinations and in view of the considerable economy likely to be achieved from their plying, a time-bound programme for removing these deficiencies in the national highways should be prepared and implemented. The programme should be prepared in such a way that the limited resources are utilised to complete atleast one connecting highways at a time rather than spending the resources on all the highways without completing any within a year so that truck-trailer combinations could be plied on that highway.

3. The Committee further recommend that truck-trailer combination should be tried on a pilot basis on some selected routes for transporting industrial raw materials. The results of the plying of truck-trailer combinations should then be evaluated and on the basis of such evaluation the use of truck-trailer combination extended to other routes, wherever the road conditions permit.

Reply of Government

The Government is fully alive to the need and urgency of promoting the operation of truck-trailer/tractor-trailer combinations on roads in the country and this matter has already been engaging their attention for quite sometime past. The main problem, however, is that of the availability of resources required to improve the existing roads to cater to the requirements of these combinations. An assessment made sometime back revealed that for safe plying of truck trailers/ tractor trailers combinations on roads in the country, it would be necessary to have atleast 2-lane roads with pavements and structures capable of withstanding the loads involved. It was further felt that the roads would also need to be free from sharp curves and steep grades. It was felt that for the improvement of

National Highways connecting the major cities, viz. Delhi, Bombay, Calcutta and Madras alone, an investment of Rs. 198 crores for the first phase work and another Rs. 65 crores for second phase (covering strengthening of pavement with over-lay of 1½" asphaltic concrete) would be involved. The Ministry's total allocation for the country as a whole for 1975-76 for National Highway (Original) Works in the beginning was, however, Rs. 48 crores only. However, with difficulty it was increased to Rs. 54 crores at the revised estimates stage. Likewise in 1974-75 also, the allocation was Rs. 45 crores only which was raised with great difficulty to Rs. 55 crores at the revised estimates stage. In view of the current financial stringency prevailing in the country, there seems to be no scope for any substantial increase in this allocation at this juncture. *Prima-facie*, within this extremely limited allocation, it is impossible to undertake any programme involving a total expenditure of Rs. 198 crores for the first phase work alone in any appreciable way. However, realising the importance and urgency of the recommendation of the Estimates Committee, the Ministry has taken up with the Planning Commission and the Ministry of Finance the question of providing additional specified earmarked allocations for meeting the requirements emerging from the requirement of permitting the use of truck-trailer combinations and action will be initiated as soon as funds become available. Meanwhile, within the available funds which do not suffice even for on going works, steps are being taken to improve the existing National Highways to the extent possible gradually in a phased manner and, subject to the road conditions permitting, the State Governments will doubtless permit the operation of truck-trailer combinations whenever and in whichever stretches it is possible to do so.

2. As regards the Committee's recommendation that the truck-trailer combination should be tried on a pilot basis on some selected routes for transporting industrial raw materials, this suggestion is being communicated to the State Governments by the Road Transport Division of the Ministry for implementation. However, as indicated above, the extent to which this suggestion can be implemented is entirely dependent upon the condition of the roads required to be used by the truck-trailer/tractor-trailer combinations.

Recommendation (Serial No. 48, Paras Nos. 3.115 and 3.116)

3.115. The Committee note that in view of considerable increase in the construction and maintenance cost of roads and scarcity of petroleum based material like bitumen, and present constraint of resources, there is an urgent need for conducting research in the field of roads so as to bring down construction and maintenance cost

by utilising locally available material which is abundant and easily available. The Committee, however, note that although the necessity of such research has been felt and acknowledged for a long time, not much progress has been made in the matter and whatever little research has been done has not yet been applied in actual road construction on any considerable scale.

3.116. The Committee further note that the Ministry of Shipping and Transport had proposed that at least one per cent of State Plan outlay for Research and Development should be earmarked for roads and although a provision of Rs. 5 crores has been included for the Fifth Plan in the Central Sector, no provision was made for the year 1974-75. The position in most of the States is in no way different. The Committee regret that the importance of road research and resultant economy likely to accrue thereby has not been recognised with the result that the country has not been able to make any headway in the matter. The Committee recommend that suitable steps should be taken for stepping up road research so as to enable the use of locally available material in road building. The result of the research should be tested on a pilot basis in some selected portions of roads and if found suitable should be applied extensively in the field.

Reply of Government

The Ministry of Shipping and Transport have been stressing upon the State Governments from time to time the need for stepping up the Research efforts towards improving the Road design and construction techniques as well as effecting economy. The recommendation of the Estimates Committee has been brought to the notice of all the State Governments and Administrations of Union Territories with the request to take suitable action for stepping up Road Research so as to enable the use of locally available material in road building. They have also been requested to take action on the other recommendations envisaging that result of the research should be tested on a pilot basis in some selected portions of roads and, if found suitable, to apply extensively in the field. It may be added that so far as the second recommendation regarding testing research on a pilot basis etc. is concerned, this is already being attended to by the Central Assessment Committee set up by this Ministry for promoting use on a field trial basis in respect of new techniques evolved as a result of research. So far, this Committee has already

recommended to States for trial and adoption 16 such techniques *vide* list attached (Appendix II).

Recommendation (Serial No. 52, Para No. 3.126)

The Committee would also like to stress that in addition to the construction of rural roads, maintenance of these roads should also be given due consideration so that the people may get the maximum benefit from these roads. In this connection, the Committee would like to draw attention to the recommendation made in paras 2.24 and 2.25 of the 69th Report on the 'Development of Backward Areas' that "it has come to the notice of the Committee that roads were not properly constructed in rural areas with the result that instead of facilitating road communications, these have become a source of great discomfiture to the local population. The Committee stress that proper standards for construction of roads connecting the backward areas to the main towns or centres should be laid down and strictly adhered to. The Committee reiterate that not only the construction of the roads in the backward areas but its proper maintenance and improvement should also receive the concerted attention of Government so that maximum benefits from the roads may flow to the persons living in these areas."

Reply of Government

Under the Constitution, the Government of India are primarily concerned with roads declared as National Highways. All roads other than National Highways in States, including roads in rural areas, fall essentially within the purview of the State Governments' concerned. Accordingly, the recommendations of the Estimates Committee reproduced above has been brought to the notice of all the State Governments and Union Territories for necessary action.

2. It may be added that so far as standards and specifications for the construction of rural roads are concerned, this Ministry has already laid down certain guidelines some time back for roads in rural areas including those in hilly, tribal, coastal and backward areas and copies of those guidelines were given to the representatives of all the State Governments during the meetings held in the Planning Commission in 1973 in connection with Minimum Needs Programme. Again these guidelines were given to the State representatives in 1974 at the time of State Sector Annual Plan (1975-76) discussions. In addition, these guidelines were also circulated to all the State Chief Engineers concerned with road development in connection

with Chief Engineers meeting held at Chandigarh on 6th March, 1975. Separately, the Central Road Research Institute, New Delhi had brought out a publication called "Some Salient Aspects of Construction of Village Roads" which was also distributed to all State representatives at an All-India Seminar organised by the Department of Community Development on Crash Scheme for Rural Employment. It would thus be seen that necessary technical know-how regarding standards, specifications, construction and maintenance needs, Unit Costs, etc. in regard to Rural Roads is already available to all the State authorities concerned who are primarily concerned with Rural Roads.

3. With a view to ensuring further compliance with the recommendations of the Estimates Committee, the Planning Commission have also been requested to bring the recommendations of the Estimates Committee reproduced above to the notice of the State Government representative during the discussion in connection with the Annual Plans for 1976-77 pertaining to State Road Development Programmes, including rural roads envisaged to be constructed under the Minimum Needs Programme.

Recommendation (Serial No. 55, Paras 4.11 and 4.12)

4.11. The Committee note that India has a vast coastline with a number of ports and harbours. There is considerable scope for the utilisation of coastal shipping for the transportation of goods and passengers. The Committee, however, regret to note that the coastal shipping in the country is on the decline and the amount of cargo traffic has fallen, from 40.77 lakh tonnes in 1962 to 14.72 lakh tonnes in 1974 and passenger traffic has fallen from 6.14 lakh passengers in 1969 to 5.17 lakh passengers in 1973. The Committee regret that at a time when the country has been experiencing considerable transport bottlenecks with adverse effect on the national economy and there is a pressing need for maximum utilisation of all modes of transport, there has been considerable decline in the traffic carried by coastal shipping. The Committee cannot over-emphasise the importance of a strong coastal shipping fleet for the country as a second line of defence, in the light of past experience. They therefore, recommend that coastal shipping should be regarded as an important sector of national activity as apart from its strategic value, it can serve to economically transport cargo and passengers

around the coastline and relieve the pressure on other systems of transport and thereby result in maximum utilisation of available resources in the country.

4.12. The Committee note that the main reason for the decline in the traffic handled by the coastal shipping has been that although it is ideally suited for the transport of bulk commodities like coal, salt, cement etc., there has been no specific allocation of traffic to be carried by Coastal Shipping and as the Railways decided to move their own coal there was no firm traffic for the coastal shipping. Now that it has been decided to allocate movement of about 6.5 million tonnes of coal traffic by coastal shipping, the Committee hope that Government would take concerted measures for the development of Coastal Shipping and removing the bottlenecks that are hampering the growth of coastal shipping in the country.

Reply of Government

Government agree with the recommendations of the Committee that the rehabilitation and strengthening of coastal shipping, as a long-term measure, is essential in the national interest. Subsequent to the revision of the coastal freight rates w.e.f. 15-7-75, in order to make coastal operations more economic, this Ministry has been in close touch with other concerned Departments and Ministries like the Department of Coal, Department of Energy and the Ministry of Railways in order to obtain a firm commitment regarding the quantities of coal to be moved by coastal shipping. The Railways have indicated the quantity to be moved in the aggregate and also port-wise. DG Shipping has also made arrangements for deploying adequate tonnage, on a regular basis on the coast.

Recommendation (Serial No. 56, Para No. 4.13)

The Committee consider that the estimates of movement of about 6.5 million tonnes of coal by coastal shipping by the end of the Fifth Plan which were made before the energy crisis, would require to be reviewed. The requirements of coal by the various industries are likely to go up due to high cost of oil as also due to conversion of existing production units from oil to coal. The Committee, therefore, recommend that a fresh study of the requirements of coal and other commodities which are to be moved by coastal shipping during the Fifth Plan period may be made in the light of the latest developments.

Reply of Government

A re-assessment has been undertaken on the estimates regarding the movement of 6.5 million tonnes of coal by sea by the end of the Fifth Plan period. In this process, the requirements of coal not only by the thermal power stations but also by other user industries like cement industry were also taken into account, on the basis of the latest review of the expansion schemes and plans. According to latest indications, this quantity is likely to be of the order of about 2.36 million tonnes by 1978-79 as per the break-up below (exclusive of an export possibility of 1.50 million tonnes):—

Thermal station	1.46
Industries	0.40
Railways	0.50
	2.36

There are indications, however, that by the end of the Fifth Plan, the requirement of thermal stations may go up from the level of 1.46 million tonnes to 9.47 million tonnes.

Recommendation (Serial No. 57, Para No. 4.14)

The Committee would like to point out that all the world over the coastal shipping is playing an important role in the transport of goods traffic and its share alongwith inland waterways in the total goods traffic is as much as 10 per cent. However, in India, which has a vast coastline, the share of coastal shipping in the transport of goods is negligible. The Committee would like Government to take note of the world trend and the manner in which coastal shipping is being developed particularly in Baltic countries and take concerted steps for the development of coastal shipping by providing proper type of ships, proper linkages with consuming and producing centres and providing handling facilities at the concerned ports.

Reply of Government

Government agree with the observations of the Committee that the deployment of most suitable type of ship is an important condition for the operations to be economic on the coast. It has since been decided that a comprehensive system study for coal movement covering the range of facilities to be provided at the pit-heads from the pit-heads to the ports, at the loading and unloading ports, the type of ships/family of ships that would be more suitable have been

entrusted to a foreign consultant. The foreign consultant will also be associating Indian consultants during their study. Their report is likely to be submitted to Government by the end of February, 1976.

Recommendation (Serial No. 59, Para No. 4.16)

The Committee further recommended that suitable landing facilities for passengers and cargo should be provided in the Andaman & Nicobar Islands and Lakshadweep to serve the people of these areas.

Reply of Government

A. Andaman & Nicobar Islands

In the Andaman & Nicobar Islands, landing facilities by way of constructing petties and wharves have been provided at the following places and these port facilities are being used by the Inter-Island and Mainland island vessels.

- (a) Diglipur
- (b) Mayabunder
- (c) Havelock
- (d) Neil
- (e) Port Blair
 - (i) Chatham wharf
 - (ii) Haddo wharf
 - (ii) Cholunga wharf in Phoenix Bay
- (f) Little Andaman—Hut Bay.
- (g) Car Nicobar—Malacca
- (h) Katchall—East Bay
- (i) Kamorta.

The following works are in progress:

- (a) Jetty at Rangat
- (b) Breakwater at Little Andaman
- (c) Fisheries jetty at Port Blair
- (d) Slipway at Port Blair
- (e) Jetties around Port Blair for Ferry service
- (f) Jetty at Cambell Bay of Great Nicobar.

B. Lakshadweep

The following works have been completed and the Islanders are utilising these facilities.

- (a) Dredging the lagoon and entrance—First Stage at Minicoy and Kavaratti for entry of ships like M. L. Laccadive and M. V. Sahakari respectively.
- (b) Dredging the lagoon and entrance at Amini for entry of Pablo Boats and Odams.
- (c) Fisheries jetty and Slipway at Kavaratti.
- (d) Construction of ramps on east side of Minicoy, Amini and Kavaratti.
- (e) Dredging laggons and entrance channel at Kadamat, Kiltan, Chetlat and Bitra for entry of Odams.
- (f) Navigational facilities like Entrance lights, Marker Buoys etc. at major Islands.

The following works are in progress:

- (a) Dredging the lagoons & entrances of Minicoy, Kavaratti and Amini Islands to achieve depths of—4.0 m, —3.50m and —1.80m respectively.
- (b) Construction of jetties at Amini, Kadamat, Kiltan, Agathi and Kalpeni Islands.
- (c) Finishing items of providing Navigational facilities like Entrance lights, Marker buoys etc. at major islands.
- (d) Embarkation of facilities and removing pinnacles at Androth island.
- (e) Eastern side embarkation facilities at Kadamath, Agathi, Kalpeni, Chetlat and Kiltan Islands.
- (f) Shore protection works at Kavaratti.

Recommendation (Serial No. 60, Para No. 4.17)

The Committee further consider that in the wake of the oil crisis the movement of coal to Southern and Western India by coastal ships has assumed special significance. It is therefore, necessary to undertake a study to find out the most economic method of moving coal from Eastern India to Southern and Western India and to bring back salt etc., from the area. The various methods of movement of coal such as large self-unloading vessels, tug barge system

etc., should be studied and the most appropriate and economical system of movement should be selected for the purpose. The Committee further suggest that integrated advance action should be taken (i) to identify the mines from where the coal would be moved so as to provide the necessary facilities there, (ii) to establish firm linkage with the Railways for the movement of the requisite quantity of coal from the mines so identified and (iii) to develop the facilities at the ports from which the coal will be loaded so as to synchronise and coordinate the smooth movement of coal etc. to the destinations. The Committee would also like Government to study the requirements of facilities which would be needed at each port where coal would have to be unloaded and from where salt would have to be loaded so as to ensure that there is no unnecessary detention of ships for this movement.

Reply of Government

As already indicated in the reply to recommendation No. 57, a comprehensive study for coal movement from pit-heads to consumer point has been entrusted to foreign consultants. All the points mentioned by the Committee in the above recommendation have been included in the terms of reference.

Recommendation (Serial No. 63, Para No. 4.30)

The Committee note that one of the reasons for the decline of coastal shipping is that the freight structure for traffic is not economic and does not ensure sufficient return to the shipowners with the result that the shipping companies are not taking interest in replacement or expansion of their vessels. The Committee recommend that Government should look into the matter urgently and revise the freight structure suitably so as to ensure economic return to the shipowners engaged in coastal shipping.

A suggestion has been made to the Committee that Government should set up a Maritime Freight Commission to review on a continuous basis the freight rates charged by coastal shipping. However, the representative of the Ministry of Shipping and Transport has stated before the Committee that their experience of a Commission was not happy and that they were devising a new method to revise the freight rates. The Committee recommend that a decision in the matter should be taken early and it should be ensured that there are no delays in the revision of freight rates when the circumstances so warrant.

Reply of Government

The coastal freight rate has been revised w.e.f. 15-7-75 as indicated below:—

SALT (FIOT)		Tuticorin to Calcutta	Saurashtra to Calcutta
		Rs.	Rs
	Existing rates	66.10	77.20
	Proposed rates	85.25	93.50
COAL (LINER)		Existing rates	Proposed rates
Discharging ports			
Madras	FIOT	70.27	74.25
	LINER	93.77	98.00
Tuticorin	FIOT	69.25	85.25
	LINER	79.25	95.25
Cochin	FIOT	67.12	85.25
	LINER	83.62	101.75
Saurashtra	FIOT	74.04	93.50
	LINER	86.04	105.50

The above rates are proposed to be reviewed at the end of one year. At that time the institutionalised arrangements necessary for attending to adjustment in freight rates on the basis of variation in operational costs are also proposed to be considered.

Recommendation (Serial No. 66, Para No. 4.52)

The Committee further note that traffic in the major ports in the country is expected to increase to about 115 million tonnes by 1978-79 from the present traffic of 65 million tonnes which means an increase of about 77 per cent. The Committee further note that about 80 per cent of the increased traffic will be in bulk commodities such as crude oil and petroleum products, iron, fertilisers and coal. The Committee would like to point out that until and unless concerted efforts are made to increase the capacity of major ports and maximum utilisation of existing capacity by improvement in operational efficiency, better scheduling of ships etc. the position in the ports is not likely to improve, creating great impediments in the way of country's

overseas trade. The Committee stress that necessary advance planning for the purpose should be completed expeditiously to meet the expected increase in traffic.

Recommendation (Serial No. 67, Para No. 4.53)

The Committee need hardly point out that with the phenomenal increase in the sizes of ships which visit our ports, it has become imperative to reduce the time spent by these vessels at the ports as the detention of the ships results in wasteful expenditure on account of payment of detention charges. It is, therefore, essential that fast loading and unloading techniques are employed for quicker and cheaper movement of cargoes and reducing transportation charges.

Recommendation (Serial No. 68, Para No. 4.54)

The Committee further note that the Major Ports Commission in their report submitted in 1970 had made a number of recommendations for improving the working of the major ports e.g., need for improvement in cargo handling methods, need for creation of necessary capacity for the loading and unloading of bulk cargo, commensurate with the larger size of ships, increased use of mechanised devices like high capacity shore cranes and mobile cranes, palletization etc. The Committee recommend that immediate action should be taken for the implementation of the recommendations made by the Major Ports Commission.

Reply of Government

In anticipation of the traffic the major ports would be required to handle in 1978-79 and beyond, several development projects and expansion schemes providing for additional handling capacity and fast loading and unloading technics have been sanctioned and are now under execution in the major ports. These projects, when completed, would increase the capacity of the ports in the handling of traffic, especially bulk cargo and would conduce to greater operational efficiency and reduction in the detention of ships. A brief description of the development schemes taken up at various major ports is given below:—

Calcutta Port

A dock system at Haldia for handling bulk cargoes—liquid and dry—in larger and deeper draughted vessels is under construction. The Commissioning of the dock system with mechanised berths for handling coal, iron ore rock phosphate sulphur and salt will create adequate port capacity and also result in faster turnround of ships with resultant economy in transportation costs.

The Haldia Oil Jetty connected to the Haldia and Barauni Refineries has already been in operation since August, 1968.

Bombay Port

The facilities available at this port can be classified into two major categories, viz. facilities for P.O.L. traffic and facilities for non-P.O.L. traffic. For P.O.L. traffic, the port trust have proposed construction of an additional Oil Berth at Butcher Island. A detailed Project Report prepared by the Port Trust is being examined. As regards the Non-P.O.L. traffic, the Port Trust have proposed construction of a Barge Berth at Pir Pau and development of a Satellite Port at Nhava-Sheva. This is necessary to handle bulk commodities with modern mechanical handling plants reduce the congestion at Bombay Port and to ensure faster turn round of ships. For Barge Berth, a Project Report received from the Port Trust is being examined. In connection with the Nhava-Shaeva project, approval of Government is being obtained.

Madras Port

Based on the projected increase in traffic in bulk commodities, this port has taken action for providing the facilities required. An oil berth capable of handling oil in bulk in deep-draughted tankers has already been commissioned. An ore berth for handling iron ore in bulk with the help of modern ore loading equipment is under construction and is likely to be commissioned shortly.

Action is being taken by the Port Trust for provision of facilities for handling fertilizers to be imported by the Ministry of Agriculture.

Cochin Port

In order to handle the expected increase in traffic, especially in the case of POL and to handle ships arriving with fertilizer raw-materials required for the FACT Division of Udyogamandal and Cochin Phase II Programme, the Port has proposed a Super Tanker Oil Terminal and a fertilizer berth at the Bolghatty Channel. With these new facilities, the Port will be able to take ships drawing 40' draught.

2. The Port Trust has already taken up the preparation of a Master Plan for development in the next 20—25 years which would be the basis for preparation of future Five Year Plans. The Master Plan will take all factors affecting future port development into consideration in the light of present day trends in international trade and shipping.

Visakhapatnam Port

The Outer Harbour, which is nearing completion will enable handling of iron ore carriers of upto 1,00,000 DWT ships and will provide loading rate of 8,000 tonnes per hour. The existing two west ore berths which will be released after the commencement of shipment of iron ore from the Outer Harbour, are being equipped with high capacity shore cranes and ancillary facilities to facilitate quick cargo handling.

As part of the Fifth Plan proposals expansion of the Outer Harbour to receive 1,50,000 DWT ore carriers and to increase the ore loading capacity of the Harbour to 12 million tonnes per annum are envisaged. There is also a proposal to construct one oil berth in the Outer Harbour to accommodate tankers of deeper draughts. In order to accommodate LASH ships in the Outer Harbour a Mooring berth has also been planned.

It is proposed to provide medium speed bulk fertilizer unloading and handling facilities at the Inner Harbour, Visakhapatnam. The Project Report is under preparation.

Kandla Port

A fifth berth has been commissioned in the Port and modern mechanical facilities are being provided to handle fertilizer traffic.

In order to handle crude oil required for the refineries in Koyali and Mathura, an off-shore oil terminals has been proposed at Salaya, about 40 miles west of Kandla on the southern bank of the Gulf of Kutch.

Mormugao Port

The traffic level of Mormugao Port increased from 5.4 million tonnes in 1962-63 to 9.03 million tonnes in 1969-70 and touched its peak level of 14.34 million tonnes in 1973-74. According to the traffic projection of this port, it is expected that about 15.28 million tonnes of traffic will be required to be handled by 1978-79. The Mormugao Port Development Project presently under execution and expected to be completed by the later half of 1976, will provide adequate facilities for the traffic of iron ore and POL products.

After the commissioning of the new facilities under the Mormugao Port Development Project and the switching over of the iron ore and POL products to the new facilities it is considered that the existing alongside cargo berths will have adequate capacity to

handle the additional projected traffic in commodities other than iron ore and POL products.

With a view to increasing the output and improving the turn-round of ships at the existing cargo berths, several measures including replacement of old cranes by new higher capacity cranes and acquisition of additional cargo handling equipment, have been taken.

Paradip Port

For the export of iron ore, the Port has provided a mechanical ore handling plant with a rated capacity of 2,500 tonnes per hour. The throughput capacity of the plant is about 3.50 million tonnes per annum. Further improvements in the ore handling plant's capacity and mechanisation of the entire operation from receiving to the loading into the ships are being made. Two wagon tippers have been sanctioned. Modification to the plant to increase the capacity to 4 million tonnes per annum is under examination. The port is in a position to handle vessels of 60,000 DWT with a draught of 39 feet.

2. As regards the implementation of the recommendations of the Major Port Commission for improving the working of the Major Ports, these have either already been implemented or are in the process of implementation to the extent possible keeping in view the economic justification of the schemes and financial resources, as explained in the preceding paragraphs.

Recommendation (Serial No. 72, Para No. 5.6)

The Committee note that inland water transport is one of the oldest mode of transport in the country and due to the existence of a number of perennial and navigable rivers in the country, there is considerable scope for its development as a mode of transport to carry cargo and passengers. Moreover, it has been proved that inland water transport is the cheapest mode of transport in as much as while the initial investment on provision of one km. of track is Rs. 8 to 10 in the case of road, it is little as Rs. 1.25 to 2.00 in the case of inland water transport. Similarly while the maintenance cost per km. of track per year is Rs. 9,600 in the case of rail and Rs. 4,500 in the case of road, it is as low as Rs. 1000 in the case of inland water transport. The operation cost per tonne km. is also the cheapest in the case of inland water transport as while the same is 10 paise in the case of road and 4.40 to 11.70 in the case of railways in the eastern region, it is 2.44 to 5.00 paise in the case of

inland water transport. The Committee note that advanced countries in the world have already realised the inherent advantages of the inland water transport: and many countries like USA, Germany, France and USSR are using it increasingly in spite of the fact that other modes of transport such as rail and road are more developed in those countries as compared to India. The Waterways in the USA carry nearly 16 per cent of the nation's total transportation, but the total cost is less than 1 per cent of the total amount expended annually on transportation.

Reply of Government

This is a general recommendation. The Ministry is already taking action to promote I.W.T.

(Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W dated the 26th September, 1975.)

Recommendation (Serial No. 73, Para No. 5.7)

The Committee regret to note that although India has been experiencing considerable transport bottlenecks, one of the oldest mode of transport *viz.* inland water transport has been consistently on the decline. The Committee consider that inland waterways can play a significant part in the transport network of the country by economically distributing goods to the ports from their connected hinterland and *vice-versa*. In view of the low cost of this system of transport, it is necessary that comprehensive data of the possible traffic, along all the navigable waterways of the country is compiled to enable a realistic future planning of this system of transport. Considering the extent to which the inland water transport has declined, it would call for a massive effort to bring it to an efficient and fruitful level of functioning. However, in view of the constraints of resources it would be necessary to phase the development of inland waterways over an extended period. The Committee suggest that after the comprehensive data has been compiled, priorities for the development of inland transport in the various sectors should be laid down, after considering the availability of traffic and the existing facilities, etc. The Committee need hardly emphasise that a well thought out phased programme should be formulated for the development of inland waterways which in addition to making the waterways navigable, should include the provision of necessary terminal facilities which are very necessary for ensuring quick, efficient and fast turn round of traffic for making this system of transport a success in the modern transportation net work.

Reply of Government

The suggestion of the Estimates Committee for compilation of comprehensive data of the possible traffic along all the navigable waterways of the country has been considered and it has been decided that first of all, those waterways which are navigable are identified. Thereafter, data about the vessels plying at present would be collected and traffic surveys would be undertaken to find out prospects of water borne traffic in such identified areas. The States will be urged to carry out these traffic surveys and the Central Directorate would give them guidance.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75/P&W dated the 26th September, 1975.]

Further Information called for by the Committee

Please intimate the steps taken for indentifying the navigable waterways and undertaking traffic surveys to find out prospects of water-borne traffic in such identified areas.

[Lok Sabha Secretariat O.M. No. 5/22/EC/75 dated 7-2-1976].

Further Reply of Government

The State Governments have already been addressed to furnish information about the navigable waterways, indicating types of vessels plying, item of cargo and the quantities moving on the waterways, navigational constraints of the waterways and also their prospective waterways. To find out requirements of traffic and hydrographic surveys, the State Governments have been asked to intimate about availability of know-how for conducting the hydrographic surveys; existing arrangement for collection of statistics regarding goods, passengers, boats, mechanised vessels, etc., moving in waterways and their plan for collecting future statistics, etc. The informations from most of the State Governments are still not received.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(4)/76-P&W dated the 26th February, 1976.]

Comments of the Committee

The Committee would like Government to fix firm targets for indentifying the navigable waterways and undertaking traffic sur-

veys to find out prospect of water-borne traffic in such indentified areas.

Recommendation (Serial No. 74, Para No. 5.13)

The Committee note that Government have appointed a number of Committees to examine the various aspects of the problems connected with the development of inland water transport in the country viz. the Inland Water Transport Committee, 1959, Study Group on Assam Services, 1967; Inland Water Transport Committee, 1970 River Services Committee 1972; Committee on National Waterways 1974 and Study Group on Development of Buckingham Canal (1974). These Committees have made a number of useful recommendations e.g. the Inland Water Transport Committee, 1970 had recommended that important waterways should be declared National Waterways; the Central Government should assume full responsibility for maintaining navigability of all important waterways by taking necessary action; promulgation of a single Act to regulate the running of ferries throughout the country; development of Farakka into a modern inland port, etc. Similarly the River Services Committee (1972) recommended the acquisition of 15 pusher tugs and 60 dumb barges, etc. The Study Group on Development of Buckingham Canal, 1974 recommended development of Buckingham Canal (North and South) at a cost of Rs. 800 lakhs. The Committee, however, note from the statement of action taken on the recommendations of these Committees that most of these recommendations are still under consideration and follow up action thereon has not yet been taken. The Committee regret that even after a lapse of more than 4 years final decision on the recommendations made by the Inland Water Transport Committee, 1970 has not yet been taken. The Committee recommend that action to implement the recommendations of these Committees should be taken at an early date.

Reply of Government

The recommendations of the various Committees set up by the Government of India have already been examined and implemented to the extent possible. Out of 32 schemes recommended by the I.W.T. Committee (1970), under the Fourth Plan, 22 schemes have so far been sanctioned (including 2 sanctioned partially) at a cost of Rs. 782.72 lakhs. Funds amounting to Rs. 416.75 lakhs have so far been released/spent against these schemes. Of the remaining schemes recommended by the Committee for Fourth Plan, 8 schemes (inclusive of part of 2 schemes) have been included tentatively in

the Draft Fifth Plan. In addition out of 14 schemes recommended by the I.W.T. Committee (1970) for inclusion in the Fifth Plan, 13 schemes have been included tentatively in the Draft Fifth Plan.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W dated the 26th September, 1975]

Recommendation (Serial No. 77, Para No. 5.16)

The Committee further note that there is an Inland Water Transport Directorate in the Ministry of Shipping and Transport to deal with the various aspects of Inland Water Transport in an efficient and coordinated manner. The Committee regret to note that Director in the Directorate, who is a technical hand, has taken over only recently and the Directorate is not equipped with adequate technical personnel. In the opinion of the Committee this is one of the reasons for the poor progress in the development of inland water transport in the country. The Committee recommend that urgent steps should be taken for strengthening the Directorate with adequate technical personnel to enable it to perform its function effectively.

Reply of Government

The question of strengthening the technical Cell at the Centre has been considered. With the increase in the number of schemes from the State Government, the staff for checking the estimates is proposed to be increased. Some other proposals are also being considered.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W; dated the 26th September, 1975]

Recommendation (Serial No. 83, Para No. 8.45)

The Committee note that most of the boats/crafts used in the inland water transport in the country are outdated and obsolete and are country boats without mechanical power. They further note that great developments have taken place all over the world in the field of standardising boats and craft for inland water transport. The Committee is of the view that if inland water transport is to make a headway in the country and compete with other modes of transport in carrying passengers and cargo economically, it is necessary

to standardise the designs of the crafts to a few number which would meet the requirements of the whole country. The Committee recommended that necessary steps in the direction of standardising crafts and prime movers suitable for Indian conditions by studying the recent technological advances made in other countries should be taken.

Action taken by the Government

The Government of India had set up a Joint Technical Group to draw up standard specifications acceptable to users utilising to the utmost indigenously available materials, machineries and accessories. The report of the Group has been received recently. The Group has enclosed drawings of a few vessels which have been satisfactorily in use in various waters of the country and has desired study of some books of references which are internationally known. The Group has suggested that this Ministry should collect all the detailed drawings of the various vessels built in yards owned by Government Undertakings and make them available to the different shipbuilders in the country at a reasonable charge. It is also proposed to obtain the services of foreign expert to advise about the standardisation of vessels and equipment and some supporting facilities in the Directorate may also be created.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W; dated the 26th September, 1975.]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation (Serial No. 5, Para No. 1.34) .

The Committee consider that in our country where we have planned development it should be possible to assess methodically and rationally the quantum and nature of traffic to be carried by various modes of transport. Where more than one means of transport is available, a decision has to be taken as to what is the best means in terms of financial cost and over-all consideration of development. This requires advanced and detailed planning, study of relative cost of transport by different means and a high coordinating authority which can give firm policy decisions.

Reply of Government

Cost benefit studies are taken up by the concerned administrative Ministries in respect of important projects, even at present, in regard to the mode of transport for which they are responsible, before taking a final view on the question of further investment. Detailed planning is also done before developing a particular mode of transport and coordination is achieved through the agency of the Planning Commission. As regards the setting up of a high coordinating authority, the Government's reply will be furnished under recommendation No. 6.

Recommendation (Serial Nos. 8 and 9, Para Nos. 1.38/1.39)

1.38. The Committee are surprised to note that no specific allocation of traffic was made between the various modes of transport during the Third and Fourth Plan periods. The Committee, however, note that for the Fifth Plan period, such an allocation of traffic has been made but these are very rough and broad indications. The Committee feel that in view of the heavy investments required for the creation of transport facilities particularly in the context of present financial constraints and the recent energy crisis, maximum

possible advantage should be taken of these investments and steps should be taken to ensure that scarce resources are used most economically and efficiently to yield maximum results and all investments in transport services are made with a view to make the most optimum and economical use of the capacity so created. The Committee, therefore, feel that cost benefit study of the various modes of transport for long haulage or short-haulage of goods commodities and passengers destinations-wise should be made and allocation of traffic for various modes of transport made accordingly so as to ensure optimum and economic utilisation of the transport facilities. The Committee also recommend that in these studies world, trend in the transport of cargo and the latest technological developments like the use of pipelines etc., should be kept in view.

1.39. The Committee note that the Ministry of Shipping and Transport and Planning Commission have conducted some inter-modal comparative cost surveys and that one of such inter-modal study of Rail Transport and Coastal Shipping regarding movement of coal show that after the commissioning of Haldia Port it will generally be cheaper to move coal from the Bengal/Bihar coalfields to Coastal Areas in Southern and Western India by the Coastal Shipping than by an all rail route. The Committee recommend that similar inter-modal studies covering various commodities and various destinations by different modes of transport should be conducted and allocations of traffic made accordingly. Once a decision regarding allocation of traffic has been taken, steps should be taken contemporaneously to provide the necessary infra-structure facilities like provision of rail link, handling and loading facilities, provision of roads etc. so that no bottlenecks are experienced in the actual movement of goods through these modes of transport. Moreover, continuous review should be made of transport bottlenecks and steps taken to correct imbalances in the transport sector and also ensure that these imbalances do not occur in future.

Reply of Government

Government have been taking steps to see that the resources available to the country are used most economically, efficiently and to the optimum extent possible. The observations of the Committee in regard to the need for cost benefit studies of the various modes of transport and allocation of traffic for each mode of transport have been noted. In taking investment decisions, in future the trend in the transport of cargo and the latest technological developments in the other countries would be kept in view.

Even at present, there are arrangements for continuous review of the transport problems. Whenever a transport bottleneck develops anywhere in the country, the causes thereof are studied and analysed and suitable corrective action is taken with the utmost expeditious possible.

Recommendation (Serial No. 18, Para No. 2.33)

The Committee note that the origin destination studies in respect of coal have been completed by the Ministry of Railways and that studies in respect of other bulk commodities are in progress. The Committee feel that all these studies which should have determined not only firm linkages but also share of railways in carrying them should have been completed well before the commencement of the Fifth Plan and the results of these studies should have been fully utilised while formulating Programmes for the Fifth Plan period. The Committee stress that the Working Group should complete their studies at the earliest and that Government should take decisions on the reports of these studies expeditiously. The Committee further emphasise that the actual working of these linkages should be critically reviewed every year and corrective measures taken so that transportation does not constitute a bottlenecks in the development of the national economy.

Reply of Government

The Committee's recommendations have been noted.

Railway Planning by its very nature is derivative planning and has to take into account developments in various sectors of the economy. It becomes possible for the railways to undertake transport targets for coal as a fairly clear picture regarding production targets and a broad origin-destination pattern was available. The progress of transport studies of other bulk commodities would depend upon the availability of clear production targets and reliable origin-destination patterns for these commodities to be furnished by the concerned Ministries and other organisations. Such information is being compiled.

As regards annual review of actual linkages for coal for which the study has already been completed, this is being undertaken by the Standing Linkages Committee under the Department of Coal, Ministry of Energy.

Comments of the Committee

The final results of studies undertaken may be intimated to the Committee.

Recommendation (Serial No. 22, Para No. 2.51)

The Committee note that a study conducted by the Working Group on Containerisation, set up by the Ministry of Shipping and Transport, has revealed that 80 per cent of all import/export traffic passing through Indian Ports could be containerised. The Committee would like the Government to make concerted efforts to introduce container service on an increasing scale to handle the export and import trade of the country to the maximum extent. These efforts can be successful only if effective and coordinated measures are taken by all modes of transport viz., Railways, road and port authorities to provide the necessary facilities as not only the goods would be taken by trucks to loading points in Railway yards, carried by Railways to ports but modern container berths with cranes and other handling facilities would have to be provided at Indian ports. The Committee recommend that in view of the growing need for Introduction of container services for export and import of goods, it is necessary that integrated plans are formulated and effective measures taken to ensure that all requisite facilities are provided simultaneously at necessary points for efficient and maximum utilisation of containers so as to popularise the use of container services.

Reply of Government

At present, the provision of facilities for handling container traffic at Major Ports is limited to Calcutta, Bombay and Cochin where stuffing and destuffing of cargo takes place in the Port. There is no movement of containers by rail. Rail facilities for moving containers are envisaged at Nhava Sheva and Haldia which will be having modern container berths specifically designed for the purpose.

Calcutta Port

Stray containers are received occasionally for export of shoes and some other commodities. No shipping line has so far shown any interest in operating a containerised service from the port of Calcutta. As a measure of trade promotion, efforts are being made by the Port Trust to contact some of the Shipping Companies, Steamer Agents, Freight Brokers etc. to see if container handling facilities can be initiated.

3. As regards the plans for development of container handling facilities in future, a full fledged container handling terminal is being set up in the new dock system at Haldia. The facility will have modern container handling cranes to load and unload ships and also for stacking container in the container terminal. A large transit shed is being constructed at Haldia with suitable facilities for stuffing and destuffing of containers. It is expected that after the completion of the National Highway No. 41, linking Haldia with National Highway No. 6, and introduction of suitable trucks long distance movement of containers by road to and from Haldia will be possible. It is also expected that the experiments being made by the Railways for providing suitable flat cars for rail transportation of containers to and from Haldia will also be successful by the time the Haldia container berth is in operation.

Bombay Port

At this port, no berth with adequate length, draught and back-up area is available for providing full-fledged container service. It has, therefore, been proposed to provide a container berth at the Satellite port of Nhava Sheva. In the meantime, as a stop-gap arrangement, facilities have been provided at Berth No. 12-D, Indira Dock, for landing and shipment of containers. During 1974-75, nearly 5400 containers weighing 42,500 tons were handled at the port. The Port Trust are drawing up plans in consultation with the container operators to expand the facilities for handling containers at the port.

Cochin Port

In 1973, M/s. American President Lines started their feeder container service at this port. The Port has provided a hard surfaced and lighted up area for about 100 containers and a transit shed for stuffing and destuffing of cargo.

Since the commencement of the service from September, 1973, M/s. American President Lines' Container vessels call at this Port regularly once in 15 days. With the re-opening of the Suez Canal, they have decided to replace their existing feeder container ships with their Jumboised fully containerised ships to enable them to resume their 'Round the World' voyage. The Port has now decided to give necessary facilities at another berth (Q 9) suitable for such vessels.

Reply of Ministry of Railways

The Ministry of Railways agree with the recommendation. The Ministry of Shipping and Transport who are co-ordinating with the various Ministries/Departments etc. concerned in the matter, have already furnished a reply to the recommendation to the Lok Sabha Secretariat separately.

Besides, M/s. American President Lines, M/s. Container Transport International (C.T.I.) have started their container depots at Cochin since the middle of 1975 and have started leasing of containers to a limited extent. They propose to maintain 120 containers in the initial stage and are planning ultimately to maintain 400 to 500 containers.

In the light of the fact that majority of the cargo, which is exported from Cochin can be containerised, the port has initiated plans to provide in two phases adequate facilities for handling container ships at Q9 oper berth.

The first phase is expected to be taken up shortly. As and when there is increase in the container traffic, the second phase which will aim at provision of sophisticated facilities like installation of Portainer crane, straddle or van carriers etc. will be taken up.

Other ports

The other ports will initiate action for provision of container handling facilities as and when firm indications of availability of container traffic are given. The layouts of the Outer Harbours of Madras and Visakhapatnam can cater for provision of full-fledged container berths if required in the future.

Recommendation (Serial No. 25, Para No. 2.64)

The Committee would further like that the users and public should be kept fully informed of the position of wagon availability at particular station at a particular time so that the scope for unfair practices in the matter of allotment of wagons may be eliminated. The Committee recommend that every loading station of the Railways should display a board at a prominent place showing the latest position regarding the availability of wagons and if necessary the same should be announced on the public address system. The Railway Officers should also exercise surprise checks

to ensure that the position is being correctly displayed on the notice boards. Moreover there should also be close coordination among the different sections so that in case the position regarding availability of wagons is difficult in a particular section wagons should be procured from near by points where spares wagons are available.

Reply of Government

In terms of Rule 201(12) of the Goods Tariff No. 34 Part I, a system is already in vogue under which allotment of wagons to individual indentors and loading orders are exhibited at stations on a Notice Board. These allotment/loading orders are issued in accordance with the extant policy with regard to the prescribed preferential schedules, quotas and restrictions in force and other operating considerations.

In so far as malpractices in allotment of wagons is concerned, it may be mentioned that each registration is given a serial number and wagons allotment is made strictly in order of registrations. A register, which is frequently checked by inspecting officials, is maintained at each station indicating the number of indents and this register is open for inspection by the public. Exhibition of this detailed information on the Notice Board or announcement thereof through the public address systems, as suggested by the Committee, is not considered necessary.

It may also be mentioned here that regional imbalances in the supply of wagons are made good by diverting the flow of wagons from one sector to another. A close day to day watch is kept on the movement of traffic at the various levels right from the Divisional to the Zonal level and at the Railways Board's level.

Recommendation (Serial No. 26, Para No. 2.65)

The Committee further note that there is a lot of empty running of wagons. While agreeing that empty running of wagons cannot be fully eliminated as matching return cargo may not always available, they feel that it can be considerably reduced by well-planned concerted measures to attract traffic. The Committee recommend that every possible effort should be made by Railways to win over the traffic by making detailed market studies, offering suitable incentives where necessary, offering empties at concessional freight rates etc., so as to reduce the empty running of wagons to the minimum.

Reply of Government

The observations of the Committee are noted. It is the constant endeavour of the Railways to reduce the incidence of empty running to the bare minimum. It is the policy of the Railways to permit free loading of traffic in the direction of low of empty wagons except whenever empty wagons have to be rushed away to meet commitment of high priority traffic or to meet interchange commitments as between Railways. The Marketing and Sales Organisation of the Railways is also keeping in close touch with the trade and industry with a view to attract and stimulate growth of traffic in the direction of empty wagon flow.

The preferential movement of traffic in the empty wagon flow direction is by itself an incentive to the trade which need not be supplemented by concessions in freighty as the pattern of flow of empty wagons undergoes changes depending upon the operating requirements.

Recommendation (Serial No. 29, Para No. 2.80)

The Committee, however, note that during Fifth Plan, it is expected that 5 to 6 million tonnes of coal per annum will be moved from Bengal/Bihar area to Southern and Western India by Coastal Shipping and necessary provision has been included in the Plan for acquisition of appropriate ships to cater to this coastal traffic.

The Committee also note that Haldia Port is expected to be mainly utilised for this movement of coal and an inter-model study conducted by the Planning Commission has shown that "when Haldia Port comes into commission and when loading and unloading arrangements are installed at the port, movement of coal by coastal shipping will tend to be more economical than by the all-rail route, especially when lines capacity is likely to pose a serious problem". The Committee would, however, like to point out that it would not be sufficient to merely provide ships for this movement of coal but integrated and well-coordinated steps would have to be taken in this direction. The Railways will have to provide adequate link and capacity to move this coal from the coalfields to the Port. In addition, sufficient loading, unloading and handling facilities will have to be provided at the Ports and similar facilities and railway links will have to be provided at ports on the Southern and Western Ports where the coal will be

unloaded. Steps will have to be taken to provide adequate return cargo like salt etc. to make coastal shipping economically viable. The Committee would like Government to undertake advance planning and take suitable steps contemporaneously to maintain full coordination between the various transport authorities etc., so that there are no last minute bottlenecks.

Reply of Government

The facilities for handling coal available at Major Ports and those proposed to be developed in future are discussed below port-wise.

Calcutta Port

The mechanised coal berth at Haldia will have a through-put capacity of 3.5 million tonnes, which can be increased to 5 million tonnes per annum by providing two more stacker-reclaimers to push up the rated loading capacity from 2000 tonnes to 3000 tonnes per hour. The projection of coal traffic from the Bengal, Bihar fields was originally pitched at 6.5 million tonnes by 1978-79; however, it has been subsequently noticed that the earlier traffic projection of 5 to 6 million tonnes is not likely to materialise by 1978-79. The traffic estimates of coal by coastal shipping have been under going changes. According to an estimate formulated in a meeting held in the Ministry in April, 1975 coastal movement of coal from Haldia will be around 3.50 million tonnes by 1978-79. That being so, it will be well within the capacity of the Haldia coal berth to load the volume of traffic into the coastal carriers. As regards adequate linkage and capacity for moving coal from the coal fields to the Haldia Dock, the railways have already confirmed movement of upto 5 million tonnes of coal to Haldia by 1978-79.

Bombay Port

There are no facilities available at the Port for handling coal, because not much coal traffic was offered in the past. It is expected that by the end of the Fifth Plan, this port will be required to handle about 0.72 million tons of coal. The requirement of coal movement in the 5th Plan is mainly on account of the requirements of M/s. Tata Electric Co. Port facilities by way of provision of barge berth are proposed to be provided at Pir Pau. A detailed Project Report prepared by the Port Trust in this connection is under consideration. It has also been decided to provide a coal berth in the Nhava-Sheva complex for receiving about

2.50 million tonnes per annum expected to be required in early Sixth Plan period.

Madras Port

The extent of coal traffic required to be handled through the Port is being examined in consultation with the Ministries concerned. With marginal to moderate investments, the existing facilities in the Inner Harbour can be used to cater for through puts from 0.40 to 1.00 million tonnes per annum. For larger through-puts, a new coal berth with mechanized handling facilities will have to be provided in the Outer Harbour.

Paradia Port

Facilities are proposed to be developed for loading coal consigned to ports in the south coast by using the general cargo berth constructed recently.

Port of New Tuticorin

A coal berth is proposed to be provided off the Northern Breakwater with adequate capacity to handle the Projected traffic of 18 lakhs tonnes of coal per annum.

Other Ports:

No appreciable traffic in coal is expected to be handled at the other Major Ports in the near future.

Reply furnished by the Ministry of Railways

Observations of the Committee are noted.

Rail facilities are being planned in consultation with the Ministry of Shipping and Transport and Ministry of Energy for handling the increased level of coal to be handled by coastal shipping via Haldia.

Recommendation (Serial No. 33, Para 3.35)

It has also been represented to the Committee that the number of permits issued under these schemes is very small and the permits fees charged are very high with the result that the cost of transportation goes up which acts as a damper on the growth of road transport in the country. The Committee recommend that Government

should look into the matter and take effective steps to provide relief to the road transport industry, which is already subjected to heavy taxation, from this additional burden.

Reply of Government

In this connection reference is invited to the replies to Recommendations No. 30 & 32. The number of permits covered by the South Zone permit Scheme has been agreed to be increased from 200 to 250 for each State. The question whether the Zonal Schemes may continue separately or be merged with the National Permit Schemes will be examined after one year of the operation of the National Permit Scheme. If it is eventually decided that the Zonal Schemes need not be merged with the National Permit Scheme, the question of increasing the number of permits under each Zonal Scheme to meet the increasing traffic requirements could be considered in consultation with State Governments concerned.

2. At the meeting held on the 20th August, 1975, the State representatives agreed to amend their Motor Vehicle Taxation laws to provide for the levy of a composite fee on transport vehicles with National Permits in lieu of road tax and goods tax and for authorising the competent authority of another State to receive and collect the amounts on their behalf. The amount of the composite fee was, however, the subject of a lengthy discussion. Some States suggested that the amount should be Rs. 1,000 or Rs. 1,400/1,500. Those which are at present deriving revenue through issue of temporary permits argued in favour of higher rates. It was explained that, as the National Permit Scheme is being introduced on a modest scale with the total number of permits being fixed at 5,200 the loss in revenue by keeping the figure at Rs. 700 would not be significant and the position could be reviewed after one year. It was also pointed out that, in respect of most States, the National permits would, in fact, mean a net addition to their revenue. It was also impressed that the introduction of the National Permit Scheme would not be the appropriate occasion for opening the general question of the amount of composite fee, already in force in respect of Zonal Permits. Finally, the State representatives generally agreed to the figure of Rs. 700 per year in respect of each State and Rs. 150 in respect of each Union Territory.

2. In view of the reactions of the State Governments to the question of composite fee, it is unlikely that any one of them would agree to any reduction in the existing level of composite fee under the Zonal Permit Schemes.

Recommendation (Serial No. 34, Para No. 3.36)

The Committee note that the Government had in 1958 set up an Inter-State Transport Commission with the objective of preparing schemes for the development, coordination and regulation of the operation of transport vehicles, to settle all disputes and decide all matters on which differences of opinion arise in connection with the development, coordination or regulation of the operation of transport vehicles in an inter-state region, to issue directions to the concerned State Transport Authorities or Regional Transport Authorities regarding grant, revocation and suspension of permits and of counter signature of permits for the operation of transport vehicles in respect of any route, or area common to two or more State and to grant, revoke or suspend any permit or countersign any permit for the operation of any vehicle on such route or area. The Committee further note that the Commission has not yet been vested with the powers of granting, revocation or suspension of permits. It acts essentially in an advisory capacity. While agreeing that the Commission should adopt the policy of persuasion in the settlement of disputes between the States, the committee would like that the inter-state Transport Commission should be strengthened and vested with sufficient powers so as to be able to act as an effective body to regulate the operation of road transport in the country in a coordinated and healthy manner in the interest of deriving the maximum benefits out of the existing road system in the country.

Reply of Government

The Inter-State Transport Commission has not been delegated the powers to grant/revoke/suspend permits and countersignatures of permits for Inter State regions, mainly because the State Governments were not in favour of these powers being exercised by the Commission, since, even after the delegation of such powers to the Commission, the regulation of inter-State Traffic would still remain the responsibility of the States, it is necessary to avoid overlapping between the functions of the Inter-State Transport Commission and the State/Regional Transport Authorities. The Commission would find it difficult to deal with the grant etc. of inter-State permits without the cooperation of the State Governments.

It is not considered necessary to strengthen and reconstitute the Commission unless the powers to grant etc. permits are delegated to it.

Recommendation (Serial No. 37, Para No. 3.58)

The Committee noted that the transport operators in the country are experiencing difficulties regarding availability of transport vehicles in the country. There have been heavy shortfalls in the production of these vehicles. The Committee note that against the targeted production of 65,000, 75,000 and 85,000 in 1971-72, 1972-73 and 1973-74, the actual production was only 41,850, 45,000 and 50,000 respectively. The Committee would like to emphasize that as the demand for road vehicles is expected to increase to 1,07,100 by 1978-79 and the pressure on public transport is likely to increase further due to the high price of petrol, Government should ensure that all bottlenecks in the production of these vehicles are removed and the production target of 1,10,000 commercial vehicles by 1978-79 is achieved. The Government should also maintain effective surveillance to ensure that the installed capacity for the manufacture of these vehicles is fully utilised so that the production units are enabled to achieve economies of maximum utilisation of capacity.

Reply of Government (in the Ministry of Shipping and Transport)

The Ministry of Industry and Civil Supplies (Department of Heavy Industry) are concerned with these recommendations. These have been brought to their notice for suitable action.

Reply of Government (in the Ministry of Industry and Civil Supplies, Department of Heavy Industry)

The situation regarding the availability of vehicles has changed drastically during the last one year and at present all the vehicles excepting those manufactured by M/s. Ashok Leyland Ltd., Madras are available without any waiting. Even in respect of vehicles of M/s. Ashok Leyland the waiting period has come down substantially. It will, therefore, be necessary to review the production target of 1,10,000 vehicles by the end of 1978-79.

At present there are 7 manufacturers of light, medium and heavy duty commercial vehicles for a total licensed capacity of 1,18,000 Nos. per annum. Their installed capacity is of the order of 58,500 Nos. per annum. The manufacturers of petrol based light commercial vehicles below 3 tonne pay-load capacity have been encouraged to dieselise their vehicles so that they may step up their production upto their installed capacity. Government also propose to provide all essential inputs to the vehicle manufacturers of medium and heavy duty commercial vehicles so as to enable them, to utilise their installed capacity fully. It is considered that the implementa-

tion of the capacity already approved will meet effectively the likely demand by 1978-79 except in the range of vehicles of 10 tonnes and above capacity. Government are, therefore, considering the setting up of a project in public sector for the manufacture of commercial vehicles of 10 tonnes and above capacity.

[Ministry of Industry and Civil Supplies (Department of Heavy Industry) O.M. No. 10(89)/75-AEI(I), dated the 24th March, 1976]

Recommendation (Serial No. 38, Para No. 3.59)

The Committee also note that the road transport operators in the country are facing considerable difficulties because of high prices of transport vehicles as these operators mostly belong to economically weaker sections of society or are ex-servicemen.

The Committee further note that in 1968, the Study Group on Road Transport Financing had remarked that price of road transport vehicle had increased upto a point where further investment by transport operators on new vehicles was becoming uneconomic. The Committee regret to note that since then the prices of commercial vehicles have more than doubled and in some cases there have been as many as 16 increases. The Committee recommend that Government should take effective measures to arrest any further increase in the price of these vehicles and attempts should rather be made to bring down the prices as far as possible. The Committee also recommend that concerted research in the manufacture of vehicles should be made in order to reduce the capital cost of vehicles, improve their operational efficiency with reference to paying load and economy in fuel consumption.

Reply of Government (in the Ministry of Shipping and Transport)

The Ministry of Industry and Civil Supplies (Department of Heavy Industry) are concerned with these recommendations. These have been brought to their notice for suitable action.

Reply of Government (in the Ministry of Industry and Civil Supplies, Department of Heavy Industry) :

Government had asked the BICP in August, 1972 to take up a cost investigation of all types of commercial vehicles and recommend fair selling prices for the vehicles after taking into account all the important relevant factors such as efficiency and economy of production, prudent purchase and sales policies to be adopted, quality

of vehicles, consumer satisfaction and interests, fair return in capital invested etc. The Bureau of Industrial Costs and Prices submitted its report in respect of vehicles of 3-tonnes and above capacity in January, 1974.

After examining the report of the BICP and other relevant factors Government decided on 30-9-1974 to allow the manufacturers of commercial vehicles of 3-tonnes and above capacity and Matador vehicles the freedom to regulate the prices of their vehicles subject to certain pricing norms prescribed by Government. These norms *inter-alia* provided for fixation of prices on the basis of 90 per cent utilisation of installed capacity. As regards light commercial vehicles run on petrol, Government decided not to put any restriction on the fixation of prices as the off-take of these vehicles had come down substantially due to hike in petrol prices.

For over a year Government have been exercising surveillance over prices of commercial vehicles through norms fixed for the purpose. Government have been watching the situation with regard to the demand and availability of commercial vehicles and have come to the conclusion that further relaxation of surveillance over prices is amply justified. Government therefore, decided that price surveillance over commercial vehicles shall be discontinued with effect from 15-1-1976.

Government are fully aware of the need to keep the prices of commercial vehicles within limits of reasonableness and are constantly keeping of a watch over the price situation. Government have freezed the prices of automobile ancillaries w.e.f. 19-5-1975. Thereafter the automobile ancillary manufacturers have been allowed to increase the prices of their products supplies as O.E. to vehicle manufacturers only to the extent of actual increase in the prices of spare sold in the replacement market has been pagged within 10 per cent of the price prevailing on 19-5-1975.

The manufacturers continue to make R&D efforts for improved operational efficiency with reference to payload capacity and fuel consumption, with a view to marketing them worthwhile at the prices charged. Vehicle manufacturers are also keeping close contact with the users of their vehicles through a well spread out dealer network and are making improvements to their vehicles based on feed-back information received from their dealers. Government is also encouraging manufacturers to switch over to a diesel engine in place

of the petrol engine and thus promote substantial saving in the running cost of the vehicle.

[Ministry of Industry and Civil Supplies (Department of Heavy Industry) O.M. No. 10 (89)/75-AEI (I), dated the 24th March, 1976].

. Recommendation (Serial No. 39, Para No. 3.60)

The Committee further note that there is a considerable shortage of essential spare parts and tyres and tubes and a number of vehicles including those being used by the Public Transport Corporations like Delhi Transport Corporation etc., are lying unused in the depots because of the non-availability of these spare parts and tyres and tubes. The Committee feel that at a time when there is every necessity of maximum utilisation of existing resources to remove the transport bottlenecks, Government should ensure that spare parts are freely available to these vehicles as and when required so that their capacity is not blocked up unnecessarily. The Committee recommend that if necessary Government should make it obligatory on the manufacturers to set apart some portion of their capacity for manufacture of spare parts only. Government should also ensure sufficient production of tyres and tubes and evolve a fool proof procedure of their equitable distribution in consultation with the representative of transport operators so that the persons really needing them may get them at fair prices.

Reply of Government (in the Ministry of Shipping and Transport)

Some critical items of spare parts, both of indigenous and imported origin, are in short supply. The shortage is mainly due to factors like shortage of power and raw materials and constraints on manufacturing capacity in respect of certain categories. Government have allowed additional capacity both by way of expanding existing units and establishing new units in all critical areas. Vehicle manufacturers supply spare parts directly to State Transport Undertakings. It has also been agreed that the Department of Heavy Industry and D.G.T.D. would consider recommending requests from State Transport Undertakings for grant of *ad-hoc* import licences to meet their immediate requirements of spare parts which are in short supply.

*2. Steps have also been taken for creation of additional capacity for tyres to meet the increased demand. Government have been concentrating on measures designed to increase production of tyres

and streamlining the existing channels of distribution with a view to stopping malpractices and plugging loop-holes. In order to meet the shortage, the State Transport Undertakings have been allowed to import a limited number of tyres against their Actual Users' Licences for motor spare parts. The difficulty in increasing the production of bus tyres by a suitable re-adjustment in the production of other tyres has been partly due to the resistance of labour to switch over and also because of the lay off in different Sections due to power cut. The tyres manufacturers are quite alive to the situation and the industry is making suitable readjustments in its production programme so that increased production of tyres in the sizes and categories required by the Road Transport Undertakings and operators can be achieved. The distribution arrangements for bus and truck tyres and tubes have also been streamlined. The Industry worked out a distribution Scheme envisaging the close monitoring of the activities of distributors and dealers at different levels. The Scheme provides for a Central Coordinating Committee to lay down overall priorities and norms of supply and setting up of Regional State level Committees for supervising the distribution of tyres and tubes. The Central Coordinating Committee includes two representatives each of State Transport Undertakings and private road transport operators. In accordance with the distribution plan drawn up by the tyre industry for 1975-76, the nationalised transport undertakings will receive an allocation of 4 lakh tyres, as against 3.4 lakhs in 1974-75. This will be the first charge on the manufacturers, after meeting the Defence needs.

3. The recommendations primarily concern the Departments of Heavy Industry and Industrial Development and have accordingly been brought to their notice.

Reply of Government (in the Ministry of Industry and Civil Supplies, Department of Heavy Industry) :

As already stated in the reply of Government (in the Ministry of Shipping and Transport) some critical spare parts, both of indigenous and imported origin are in short supply due to various factors. Apart from allowing additional capacity both by way of expanding existing units and establishing new units in all critical areas, the import policy in respect of some of the spare parts such as, thin walled bearings, crankshafts, pistons and piston rings in respect of which the State Transport Undertakings are experiencing difficulties has been considerably liberalised so that the SRTUS have no difficulty in meeting their requirements within the value

allowed to them for import of spare parts for the vehicles in use. As and when difficulties in procurement of essential spare parts for SRTUS are brought to the notice of this Department, the concerned manufacturers are promptly addressed to meet such requirements on priority basis. There has been a marked improvement in the availability of critical spare parts such as fuel injection pumps, pistons and crankshafts recently and it is, therefore, hoped that it will be possible for the SRTUS to meet their requirements of such spare parts without any undue delay.

Regarding vehicle manufacturers setting apart some portion of their capacity for manufacture of spare parts only, it is not considered practicable for the vehicle manufacturers to take up manufacture of spare parts other than those they are already manufacturing. Since the shortage of critical spare relate to bought out items, any reduction in the manufacture of chassis by the vehicle manufacturers will not provide any cushion for increasing the availability of spare parts.

[Ministry of Industry and Civil Supplies (Department of Heavy Industry) O.M. No. 10(89)/75-AEI(I), dated the 24th March, 1976]

.Recommendation (Serial No. 40, Para No. 3.61)

The Committee further suggest that Government should initiate effective measures to standardise different parts of vehicles and arrange for their mass production to obviate shortages.

Reply of Government (in the Ministry of Shipping and Transport)

The Ministry of Industry and Civil Supplies (Department of Heavy Industry) are concerned with these recommendations. These have been brought to their notice for suitable action.

Reply of Government (in the Ministry of Industry and Civil Supplies, Department of Heavy Industry).

The vehicles are manufactured according to the specific designs of the manufacturerers and as such they will differ from make to make in regard to pay load capacity, operational efficiency etc. It will, therefore, not be possible to standardise functional component of all the vehicles as each functional component is tailored to suit a particular vehicle. However, it will be possible to standardise non-functioning component like batteries, horns, headlamps, wind-shield

wipers etc. Whatever standardisation is possible in respect of such components has already been attempted.

ISI has already published 212 standards on automobile ancillaries as well as raw materials for the automobile industry. The preparation of Standard in respect of 84 other items is in progress. The manufacturers of passenger cars have already been directed to use components bearing ISI certification marks. At present there is no shortage of parts and components except in respect of a few items such as bimetal bearings, crankshafts etc. Adequate capacity in respect of these items has also been licensed. As a result of larger availability of components from manufacturers having adequate testing facilities, it is hoped that the non-standard components will be edged out of the market.

[Ministry of Industry and Civil Supplies (Department of Heavy Industry) O.M. No. 10(89)/75-AEI(I), dated 24th March, 1976]

Recommendations (Serial Nos. 41 and 42, Paras Nos. 3.68, 3.69 and 3.70)

Recommendation, (Serial No. 41, Para Nos. 3.68 and 3.69)

The Committee note that most of the transport operators in the country are persons belonging to lower income groups of society or ex-servicemen etc. and are owners of single vehicles only. The Committee further note that as these operators cannot provide sufficient funds from their own resources for the purchase of vehicles they have to take loans and in the absence of adequate institutional financing facilities at cheap rates of interest, take recourse to borrowing from private financiers who not only charge exorbitant rates of interest but also confiscate their vehicles at the default of one or two instalments. The Committee would like to urge that provision of suitable facilities to grant loans at reasonable rates of interest is very necessary for the development of road transport facilities in the country.

The Committee are glad to note that the lending financial institutions like State Financial Corporations and the nationalised commercial banks are providing loans to the transport operators for the purchase of vehicles. While the representative of the Ministry of Finance has claimed in his evidence before the Committee that the amount of loans granted to these operators is on the increase, the organizations of operators and others have repre-

sented that the recent credit squeeze has hit them hard and the operators are experiencing considerable difficulties in getting loans from the nationalised and other lending institutions. "The Committee feel that in view of the considerable rise in the price of transport vehicles and increased demand for these vehicles, Government should ensure that the impact of credit squeeze does not effect the individual vehicle operators who belong to the weaker section of society".

Recommendation (Serial No. 42, Para No. 3.70)

The Committee recommend that there should be periodical meetings at district/State/Regional and national levels between the representatives of the financial/banking institutions and representatives of transport operators to sort out any procedural or other difficulties in the matter of obtaining loans for purchase of transport vehicles. The Ministry of Transport and State Directorates of Transport should be associated with these meetings at the State and national level. The Committee would like Government to ensure that the benefits of these lending facilities should go to actual operators of transport vehicles or their genuine cooperatives and not to transport companies who may exploit the actual transport operators.

Reply of Government

Ministry of Finance (Department of Banking) are concerned with these recommendations. These have been brought to their notice for suitable action.

Further Reply of Government

Recommendation Serial No. 41

Commercial banks are already providing liberal financial assistance to small road transport operators which is one of the priority sectors. Within the overall resources available, present credit policy requires banks to give preference, among other things, to the credit needs of the 'Core sector' which also included road transport. Further, financial assistance granted to small road transport operators upto a specified limit and covered under the guarantee scheme of the C.G.C.I. is exempt from directive on minimum lending rate on advances. The data available with us show that financial assistance granted by banks to road/water transport operators has been show-

ing an increasing trend even during the period of credit restraint measures introduced by the Reserve Bank. Thus, the number of units assisted by banks increased from 56672 as at the end of September 1973 to 79178 as at the end of March, 1975 while the amount outstanding rose from Rs. 87.22 crores to Rs. 1,33.48 crores during the same period. Further, the I.D.B.I. and the C.G.C.I. have brought about certain refinements in their scheme and pocedures which are expected to give a further fillip to the assistance granted to this sector by banks and State Financial Corporations. Thus, the financial assistance made available to transport operators through commercial banks under the I.D.B.Is. Machinery Rediscounting Scheme and reference of loans upto Rs. 2 lakhs granted by banks and S.F.Cs. to small road transport operators under the Refinance Scheme, are sanctioned by the I.D.B.I. fairly quickly on a near automatic basis without detailed scrutiny of individual proposals. (This procedure, which was in vogue in the case of the State Financial Corporations earlier, was extended to commercial banks from 1st February, 1975). Further, the powers of Regional Managers of the I.D.B.I. to sanction refinance have been raised from Rs. 2 lakhs to Rs. 3 lakhs, with a view to accelerating the pace of sanctions and disbursements.

The C.G.C.I. has carried out certain amendments recently to its Small Loans Guarantee Scheme. Among other things, the ceiling limit in respect of the eligible credit facilities to transport operators has been raised from Rs. 1 lakh to Rs. 1.50 lakhs. The Corporation will not insist upon the borrower holding a driving licence at the time the loan is granted to him by a bank. The above amendments will come into effect from the 1st January, 1976

Recommendation Serial No. 42

At the national level, at present, the Transport Development Council under the Ministry of Shipping and Transport, meets annually to discuss various problems, including credit facilities, affecting transport industry both in the Public and Private sectors. The recommendations of the Council pertaining to credit are examined by the RBI/IDBI for appropriate action. Problems relating to this sector are also discussed at the State Level-Co-ordination Committees formed by the State Governments. At the district level, the District Consultative Committees set up under the lead bank scheme which include district officials of State Government and representatives of financial institutions, discuss among other things, problems regarding priority sector advances includ-

ing financing of transport operators. The representatives of Regional Transport Authority are also invited to participate in such discussions, whenever necessary. Moreover, RBI/Government are also receiving memoranda/representations from the Associations of Transport operators on various difficulties faced by them in getting financial assistance from financial institutions. These are examined and appropriate action is taken by the Reserve Bank/Government. It is felt that these forums at the national, State and district levels are adequate to take care of the difficulties faced by the transport sector in getting credit facilities from financial institutions.

As regards the second part of the recommendation, it has been our policy to encourage direct financing of transport operators by banks rather than through hire-purchase companies. Provision of refinance facilities/Bills Rediscounting facilities from I.D.B.I. and exemption of advances to transport operators from the directive on minimum lending rate, etc. ensure that credit is made available to small transport operators at concessional rate.

[Ministry of Finance, Department of Banking U.O. No. 19(21)/75/CPT dt. 24-12-1975].

Recommendation (Serial No. 44, Para Nos. 3.97 & 3.98)

The Committee note that roads provide the vital links between the various parts of the country and serve as veins and arteries for the economic development of the country. The Committee, however, regret that the total length of the roads in the country is very small compared to the needs. Large parts of the country are still not linked with roads. Even the national highways which carry as much as 35 per cent to 40 per cent of total traffic are marked by missing links, missing bridges, weak culverts, one lane roads and other deficiencies and in spite of four Five-Year Plans, it has not been possible to remove these deficiencies. The Committee feel that in view of the increasing role of road transport in the economy of the country and increase in the number of vehicles as also the increasing pressure on road transport anticipated in the years to come, there is an imperative need for a substantial improvement of the road system in the country.

The Committee note that the main reason for the present unsatisfactory state of affairs is that adequate allocations are not being made for roads in the Five-Year Plans. While the Government has been earning annual revenues amounting to more than Rs. 800

crores from road transport, only a sum of Rs. 305 crores approximately, is being invested in the construction and maintenance of roads which amount to about 38 per cent of the revenue earned. The Committee feel that as roads provide vital links and a good road can bring in considerable economy in operation and fuel cost, there is an imperative need for stepping up investments in road sector considerably. The Committee feel that there should be a definite linkage between the revenues earned from the road sector and investments in the roads. Even if Government may not find it possible to invest the entire revenues, at least a large portion of the revenues earned from the road sector should be invested in the road sector.

Reply of Government

The basic issues involved in both the afore-said recommendations are the need for ensuring adequate allotment of funds are roads; stepping up the existing investments and providing a definite linkage between revenue from road transport and investments in roads development. The Planning Commission and the Ministry of Finance are concerned with all these issues. The requirement projected by the Estimates Committee has, therefore, been brought to their notice for taking up necessary action, with the observations that unless a serious thought is given to provide a definite linkage between the revenue from road transport and the funds being made available for road development and action is taken to step up priority and allocations for roads and to provide funds from year to year commensurate at least with the agreed 5th Plan allocations, it will lead to serious deficiencies in regard to road development in the country.

[Ministry of Shipping and Transport (Roads Wing) O.M. No. PL-27(3) 74-Vol. II dated 21-8-75.]

Further Information called for by the Committee

Please intimate the reactions of the Ministry of Finance and the Planning Commission to the recommendation.

[Lok Sabha Sectt. O.M. No. 5|22|FC|75, dated 7-2-76]

Further Reply of Government

While noting the recommendation of the Estimates Committee, the Planning Commission have pointed out that if the allocations for the road sector since the First Plan are taken into account, it will be seen that there has been a substantial step up from Plan to Plan. The outlay provided in the Fifth Plan (Rs. 1774 crores) is nearly

equal to the total outlay provided for road development from the beginning of the First Plan to the end of the Fourth Plan. Further, the requirement of funds for development in all sectors of the economy are very much more than the available resources permit and the allocations have necessarily to be determined having regard to the requirement of each sector and the competing claims of other sectors.

2. As regards linkage between revenue earned from the road sector and investment in roads, the Planning Commission feel that there need not be a direct relationship between the revenue earned from the road transport and expenditure on roads as such a linkage might be considered to be contrary to the concept of economic planning since planning implies that a total view is taken of the resources available and that these are allocated among various sectors on the basis of *inter-se* priorities.

3. It may be added that the Ministry of Finance have since agreed to a step up of Rs. 6 crores for National Highways in the Revised Estimates for 1975-76 raising the total provision for National Highways from Rs. 48 to Rs. 54 crores. In 1976-77, the provision agreed to for Central Sector Road Schemes stands at Rs. 84.98 crores including Rs. 65.38 crores for N. Hs. This marks an increase of more than 41 per cent over the provision agreed to by them in Budget Estimates 1975-76 and despite the current financial stringency, it is a definite improvement in the financial allocations made in last 2-3 years.

[Ministry of Shipping and Transport (Roads Wing) O.M. No. PL-27(16) 75 dated 28-2-76.]

Recommendation (Serial No. 45, Paras No. 3.99 and 3.100)

3.99 The Committee note that the Chief Engineers had in their Plan (1959) for the period 1961—81 had recommended that the road length in the country should be increased to 6,57,000 miles by 1981 but the present road length is only 3,94,270 miles and at the present rate, there is likely to be considerable shortfall in achieving the target. The Committee feel that every possible endeavour should be made to achieve the targets laid down in the Plan of the Chief Engineers by 1981.

The Committee would like the Government to undertake a fresh study of the requirements of roads in the country as the projection made by the Chief Engineers in 1959 would require review in the light of the latest industrial and agricultural developments achieved in the country. The Committee recommend that after the

study is made, Government should prepare a perspective development plan for roads clearly specifying the areas where road construction work should be undertaken first in the light of the potential of the area for industrial and agricultural development.

Reply of the Government

So far as Recommendation No. 3.99 is concerned, Government is fully alive to the need and urgency for implementing the targets laid down in the 20-year Plan of Chief Engineers by 1981 but it is solely dependent upon the availability of resources. The Ministry have already taken up with the Planning Commission and the Ministry of Finance the question of making larger allocations for roads and even considering the feasibility of providing a linkage between the revenue from road transport and outlays on road development. Although in the context of the current financial stringency which is facing the entire country it seems doubtful whether it would be possible to get any substantial increase in the existing allocations for road development, the Ministry will continue pursuing the matter vigorously with the Planning Commission and the Ministry of Finance, and subject to the availability of the required resources would make all possible efforts to expedite the achievement of the targets of 20-Year Plan.

2. As regards recommendation No. 3.100 regarding the need for a fresh study of the requirements of roads in the country and thereafter to prepare a perspective development Plan for roads, the Government of India have noted the recommendation of the Committee and will take necessary action in the matter at the appropriate time. As the Committee are aware, considerable leeway still remains to be made in achieving even the targets laid down in the 20-year Plan and as such the question of making a fresh study at this stage till atleast these targets have been achieved might appear to be somewhat premature. As indicated to the Committee earlier, in financial terms, 20-year Plan envisaged an outlay of Rs. 5200 crores as under:—

			Rs. Crores
1961—66	.	.	550
1966—71	.	.	1065
1971—76	.	.	154
1976—81	.	.	2000
TOTAL	.	.	5200

This is based on 1958 price level and it might be more at the present price level with the continuing escalation in costs.

3. Of this, Rs. 1580 crores had been spent upto 1973-74 leaving Rs. 3620 crores to be spent for 1974—81. Out of this provision in 5th Plan is Rs. 1774 crores. Even assuming that the whole of this amount will become available in the 5th Plan which seems, of course, to be highly doubtful in the context of the current financial stringency, Rs. 1846 crores will still remain to be spent during 1979-80 and 1980-81 which seems impossible.

4. As regards physical progress in para 3.99 of the Report of the Estimates Committee of Parliament it is mentioned that the 20-year Plan had recommended that the road length in the country should be increased to 6,57,000 miles (10,51,200 kms) by 1981 but the present (1974-75) road length is only 3,92,270 miles (6,30,832 kms). Nagpur Plan target was 5,32,910 kms by 1961 and the present 20-year plan target is 10,51,200 Kms by 1981. On this basis the target in 1974-75 ought to have been 8,76,000 kms against 6,30,832 kms. achieved. This clearly shows that even in terms of physical progress also there has been a shortfall of 2,45,000 kms., the reasons for this shortfall may be traced to financial constraints referred to above.

5. In the circumstances, the Government wishes to wait for the achievement of atleast these targets, before undertaking a fresh study. Meanwhile, special requirements requiring immediate attention like need for improving roads in rural areas and tribal regions, are already being attended to as part of special programmes duly backed by the Central Government, e.g., the draft 5th Five Year Plan includes a special provision of Rs. 200 crores for special Central Assistance specifically for various developmental activities in tribal areas including roads. Likewise, the draft 5th Five Year Plan includes a provision of Rs. 500 crores for roads in rural areas as part of the Minimum Needs Programme with the objective of connecting by the end of the 5th Five Year Plan by all weather road links all villages with a population of 1500 and above. In the case of hilly, coastal or tribal areas where the population might be spares, the objective is to provide an all weather road to a cluster of villages with a population of a certain minimum size.

Recommendation (Serial No. 46—Para No. 3.101)

The Committee further note that in addition to the low allocations, another difficulty being experienced in the road construction programme is that there are wide variations in the annual alloca

tions which make it difficult for the State Governments who are the executing agencies for National Highway programme, to carry on the work in a phased manner. For instance, it has been noticed that after stepping up the allocations in the last two years of the Fourth Plan, the allocations during the years 1974-75 and 1975-76 have again been drastically cut with the result that the State Governments which have built up the necessary organisations are now faced with serious retrenchment problem and it has become difficult even to carry on with the continuing works brought forward from the previous years. The Committee feel that this situation need to be corrected and the annual allocations should be made in phased manner so as to ensure continuity in the road construction programmes.

Reply of Government

The Ministry is in entire agreement with the recommendations of the Committee but they are circumscribed by financial limitations according to the availability of resources. Since the annual allocations are dependent on the provision accepted by the Planning Commission/Ministry of Finance in the annual plans in the light of the overall resources position and various sectoral needs, the Planning Commission/Ministry of Finance are concerned with the recommendation reproduced above. It has therefore been brought to their notice for necessary action.

[Ministry of Shipping and Transport (Roads Wing) O.M. No. PL-27(3)/74-Vol.II, dated 23-8-1975]

Further Information called for by the Committee

The reaction of the Planning Commission and the Ministry of Finance in the matter may be obtained and intimated to the Committee.

[Lok Sabha Secretariat O.M. No. 5/22/EC/75, dated 7-2-76]

Further Reply of Government

The Planning Commission have observed that lowering down of outlays for roads during the first 2 years of the 5th Plan was entirely due to severe financial constraints which operated during this period. they have, however, expressed the hope that the position will improve in the years to come.

2. According to the latest developments, the Ministry of Finance have agreed to an increase of Rs. 6 crores in the allocation for

National Highways under the revised estimates during 1975-76, thereby raising the total provision for National Highways from Rs. 48.00 crores to Rs. 54.00 crores. For 1976-77, a provision of Rs. 84.98 crores has been agreed to for all the Central Sector Road Schemes including, *inter alia*, a provision of Rs. 65.38 crores for National Highways as against Rs. 54.00 crores available for this purpose under the revised estimates for 1975-76. The increase in overall terms for all the Central Sector Road Schemes to Rs. 84.98 crores for 1976-77 is quite a good increase. It is hoped that more funds would be available in the years to come.

[Ministry of Shipping & Transport (Roads Wing)
O.M. No. B-8 (25) /75, dated 26-2-1976]

Recommendation (Serial No. 49—Para No. 3.117)

The Committee note that the Central Road Research Institute, New Delhi, has undertaken a number of studies in the field of road construction, e.g. (i) with a view to facilitating the channelisation of efforts for village road development, data was generated on alternative specifications which may find use in the construction of village roads in different regions of the country, selection of payment compositions in specific cases for their conditions of sub-grade, availability of materials, traffic intensity, costing of various specifications (ii) laboratory investigations were conducted to find the possible use of low-temperature tar, produced in large quantities from low temperature carbonisation of sands in desert areas (iii) Experiments were conducted with the addition of lime (2 per cent) and gypsum (2 per cent) separately with a view to improving the cementing property of the binder and resistance of high temperature. The Committee recommend that results of these experiments conducted by the Central Road Research Institute should be properly evaluated and in case these are found suitable and economical, maximum use of these alternative techniques of road construction should be made in the road construction programmes in the country.

Reply of Government

The entire work which is being done in the field of Road Research in the Country both by the Central Road Research Institute and other road research laboratories in various States is published by the Indian Roads Congress in their Annual Publication entitled "Highway Research Record—General Report on Road Research in India", which is discussed at their Annual Sessions when all the Central and State Road authorities are represented. These publications are considered in detail and the research work published

in those publications is evaluated and such of the work as is found useful, economical and feasible to be adopted is made use of by both the Central and State Road authorities.

Apart from the above position, the techniques evolved by the Central Road Research Institute and others are also considered by the Central Assessment Committee set up by the Ministry of Shipping and Transport (Roads Wing) to promote the use of new techniques evolved as a result of research and recommendations made to States for the trial of such techniques on field scale basis. In order to give further encouragement to States in making these trials, there is also a provision by way of a "risk fund" financed from the Central Road Fund (Ordinary) Reserve to cover the risk involved in the additional cost, if any, required to be incurred on the trial of new techniques on field scale basis or the loss of money involved in the event of the failure of new techniques. The exact terms of reference of the Committee are indicated below:—

- (i) To select new techniques of road construction for trial. In selection of new techniques, the Committee will confine itself to those which have been tried on Pilot experiments, and have reasonable chances of succeeding. The techniques should compare favourably with the existing methods of road construction as regards cost in the region;
- (ii) To examine the road projects of each State and determine the site, length, etc. of roads where the normal methods of construction can be replaced by a suitable new technique in furtherance of research. For each State, the Committee will recommend such replacements to the extent of one per cent of the allocation for road development schemes in the State;
- (iii) To collect such progress and performance reports as the Committee may prescribe for the work, expenditure and behaviour, and assess the results of trials of the new techniques;
- (iv) In the event of any loss of money occurring as a result of failure of the road constructed according to the new technique or the total cost of the new technique exceeding that of the conventional method, to assess the loss or the extra expenditure, as the case may be, to be met from the "Risk Fund" set up for the purpose.

The Committee is headed by the Director General (Road Development) and has as its members, the President, I.R.C., the Director, C.R.R.I., Chief Engineers of two States, Directors of two Research Laboratories and one non-official member. The enclosed statement indicates the new techniques recommended by the Central Assessment Committee to the States so far (Appendix II).

Recommendation (Serial No. 50, Para No. 3.123)

The Committee note that more than three-fourth of the population in the country live in villages and most of our population in villages is dependent upon agriculture. However, most of our villages are cut off from the mainstream of economic life in the country and have been denied the fruits of economic development as there are no roads linking these villages with the markets with the result that they are not able to get economic returns for their produce. The Committee feel that linking of villages with the major cities and towns and markets for agricultural produce is a matter of highest priority to accelerate the pace of development of these areas and bring economic prosperity to them. The Committee would like to stress that one of the basic reasons for large parts of the Country remaining backward is the absence of all-weather connecting roads. It is, therefore, very necessary to construct such roads in these areas as roads provide the basic infra-structure for the development of any region.

Reply of Government

Under the Constitution, the Government of India are primarily responsible for roads declare as National Highways. All roads other than National Highways in States, including Village Roads, fall essentially within the sphere of State activities. Both the Central and State Governments are, however, fully alive to the need and urgency for rural roads stressed by the Committee and in this context alone the Draft 5th Plan includes a massive programme involving a total outlay of Rs. 500 crores as part of the Minimum Needs Programme over the current 5th Plan period for providing all-weather road links to all villages upto a population of 1500 or more. In the case of tribal/hilly/coastal areas where the population is sparse, the objective is to provide an all-weather connection to clusters of villages with the minimum size of population. The Draft 5th Plan indicates that apart from the Minimum Needs Programme, some additional provisions have also been made in the State Plans for Rural Roads to connect villages with smaller population and that it was proposed to suitably dovetail the rural roads with the rest of the road network and to frame their alignments in such a manner as to secure optimum benefits. It will thus be seen

that within the available resources action has already been initiated by Government for implementing the requirement projected by the Estimates Committee. In order to ensure further action in the matter, the recommendation is being brought to the notice of the State Governments as well as the Planning Commission also. The latter are being requested to bring this requirement specifically to the notice of the State Governments during their Annual Plan discussions held from year to year. It is expected that as a result of all these measures, considerable progress would have been made in the matter.

Recommendation (Serial No. 51, Paras Nos. 3.124 and 3.125)

3.124. The Committee note that during Fifth Plan, a provision of Rs. 500 crores has been made for Rural Roads under the Minimum Needs Programme and the objective will be to link up all villages with a population of 1500 or more with a road. While the Committee feel that the objective is commendable, they have grave apprehension about the achievements of this programme in view of the progress made in the implementation of the programme. The Committee note that during 1974-75, i.e. the first year of the Plan, only an outlay of Rs. 32.62 crores was provided for rural roads under the programme. The Committee would like to stress that as rural roads occupy an important place in the economy of the country, Government should ensure that under no circumstances, the programme of rural roads should be allowed to suffer.

3.125. The Committee recommend that Government should prepare a perspective detailed plan for construction of roads with special emphasis on the construction of roads in backward and hilly areas. Government should also ensure that roads in rural areas are planned properly with proper alignment and that these roads do not affect adversely drainage of the area concerned.

Reply of Government

The major issue involved in the aforesaid recommendations relates to the sustained supply of funds for rural roads and the preparation of a perspective detailed plan for construction of roads with special emphasis on the construction of roads in backward and hilly areas. Both these matters concern primarily the Planning Commission. The recommendations reproduced above have, therefore, been brought to the notice of the Planning Commission for necessary action. The State Governments have also been addressed

in the matter as they are primarily concerned with all matters relating to rural roads covering their planing and programming, determination of alignments, financing, execution, etc.

[Ministry of Shipping and Transport (Roads Wing) O.M. No. PL-27(3)/74-Vol. II, dated the 26th August, 1975]

Further Information called for by the Committee

The action taken by the Planning Commission in the matter may be intimated to the Committee.

(Lok Sabha Secretariat O.M. No. 5/22/EC/75, dated the 7-2-76)

Further Reply of Government

While noting the recommendations of the Committee, the Planning Commission appreciate that during the first year of the Fifth Plan the provision for rural roads under the Minimum Needs Programme had to be kept at a low level on account of severe overall financial constraints. They have added that depending on the overall availability of resources, it may be possible to make larger provisions for this programme in the subsequent years of the Plan.

2. As regards the Committee's recommendation relating to proper alignment of rural roads, the Planning Commission have stated that this will be brought to the notice of the State Governments during the Annual Plan discussions with which the Ministry of Shipping and Transport is also fully associated.

3. In regard to the recommendation of the Committee relating to preparation of a further perspective plan, the Planning Commission have stated that there is already a Chief Engineers Plan on Road Development for the period 1961—81. As explained in Government's reply to recommendation No. 45 the Government wishes to wait for the achievement of at least the targets laid down in that plan before undertaking a fresh study. Meanwhile, as further explained therein, special requirements requiring immediate attention like construction of roads in backward and hilly areas are already being attended to as part of special programmes duly backed by the Central Government.

[Ministry of Shipping & Transport (Roads Wing)
O.M. No. PL 27(11)/75, dated the 28-2-1976]

Recommendation (Serial No. 53, Para No. 3.127)

The Committee would like to stress that suitable machinery should be evolved for the monitoring of construction and mainten-

ance of rural roads so as to ensure that the progress of the programme is satisfactory.

Reply of Government

Under the Constitution, the Government of India are responsible for the development and maintenance National Highways. All roads, other than National Highways, including rural roads in States are the responsibility of the State Governments concerned. Rural roads, therefore, fall essentially within the sphere of State activities, and as such, the State Governments concerned are primarily responsible for the monitoring of construction and maintenance of these roads, which form part of State Plan. The work of monitoring of construction and maintenance has, therefore, appropriately to be undertaken by the States themselves. Arrangements for detailed monitoring and evaluation will, therefore, have to be made by the States who will have to evolve appropriate mechanism and procedures for the purpose. So far as the Ministry of Shipping and Transport is concerned, they could at best perform the following functions:—

- (i) Assist the Planning Commission in the evaluation of the progress on the basis of the progress reports which the State Governments concerned might supply for this purpose; and
- (ii) advise the States, if they so desire in regard to specifications and standards as planning aspects and help them in the procurement of scarce materials and machinery where possible.

In view of the position explained above, the requirement of proper arrangements for monitoring in construction and maintenance of rural roads has been brought to the notice of the State Governments. The Planning Commission have also been apprised of this position. Actually so far as the specifications and standards are concerned, this Ministry have already laid down certain guidelines and have been bringing this to the notice of the States during discussions on the minimum needs programme for rural roads in the Planning Commission.

Recommendation (Serial No. 54, Paras Nos. 3.130, 3.131 and 3.132)

The Committee note that there are a number of Railway level crossings in the country where the transport vehicles have to wait

for long hours whenever a train has to pass, leading to considerable loss of time and fuel. The Committee feel that at a time when the number of vehicles as well as the traffic on the roads is on the increase and there is need for ensuring uninterrupted flow of traffic on all the roads, there is an urgent necessity to replace these railway level crossings by over/under bridges.

2. The Committee note in the Fifth Plan, a provision of Rs. 25 crores has been made specifically for the provision of over/under bridges to replace railway level crossings. The Committee recommend that a survey should be made of all the points, where the intensity of traffic justifies the replacement of these level crossings by over/under bridges and a time bound programme for such replacement should be prepared and implemented as early as possible.

3. In this connection, the Committee would invite attention to the recommendations made in paras 3.51 to 3.55 of the First Report of the Railway Convention Committee, 1971 where they have stressed the need for the construction of over/under bridges from Railway Safety Works Fund. They hope that full use would be made of this fund for the construction of over and under bridges.

Reply of Government

The Government of India are primarily concerned with National Highways and all roads other than National Highways in States fall essentially within the sphere of State activities. While therefore, the State Governments/Railway authorities are primarily concerned with the question of the replacing of level crossings on State roads, the Ministry of Shipping and Transport (Roads Wing) come into the picture in respect of the replacement of level crossings by under/over bridges in case of National Highways alone. In this case, they provide for the entire share of the road authority, the Railways share being paid by the Railway authorities concerned. The programme drawn for the development of National Highways in the 4th Five Year Plan provided for the replacement of 67 level crossings by under/over-bridges. Against this, sanction has already been accorded to 21 project. The balance will have to be attended to as part of the 5th Plan as financial resources position would permit.

2. It may be added that for selecting level crossings for replacing by under/over bridges, the Ministry had followed in the IVth Plan the selection criteria as indicated below:

- (i) Under/over-bridges should be provided in lieu of the existing level crossings on National Highways when the pro-

duct of gate closures per day and the fast traffic per day on the National Highway in the design year exceeds 50,000.

- (ii) In the case of new constructions including re-alignments and bypasses, under/over bridges might be provided when the products of gate closures per day and the fast traffic per day on the National Highway in the design year exceeds 25,000.
- (iii) Level crossings within shunting limits of railway stations might be given special consideration in preparing proposals for substitution by over-bridges because of unusually long duration of closures in such cases.
- (iv) Strategic and other planning factors like opening up of new industries which may not get recognised in the projected traffic figures should also be considered in individual cases involving new constructions.

It will be seen that these criteria provided for all aspects covering traffic intensity, obstructions caused by the absence of over/under bridges to the road traffic etc.

3. In addition to the national highway programmes keeping in view the importance and urgency of replacing level crossings, a special provision of Rs. 25 crores has been made in the Central Sector Roads Programme under the draft 5th Five Year Plan for financing the construction of selected over/under bridges in place of level crossings covering all categories of roads. This provision is in addition to the provision which may be available for normal programme of replacing level crossings by under/over-bridges as part of the Central/State programmes.

4. With a view to facilitating the formulation of a programme against the afore-said special provision of Rs. 25 crores, the Ministry of Railways (Railway Board) sent to this Ministry sometime back a proposal including 366 level crossings covering different zonal railways and different categories of areas like metropolitan cities, urban areas, etc. even though actually there may be much larger number of level crossings in the country which apparently meant the railways having recommended this list after due selection considering all relevant features. While submitting these proposals, they arranged the individual level crossings in a descending order of priority which *prima facie* had also been done after taking into account all aspects like traffic intensity, obstructions caused to traffic, number of clo-

asures, etc. These requirements were examined and thereafter discussed at a meeting held in the Ministry of Shipping and Transport on 27th July, 1974 with the representatives of the Railway Ministry, wherein it was decided that the following further information may be obtained from the States to facilitate finalisation of a programme against the afore-said provision of Rs. 25 crores:—

- (i) 4th Plan over-bridge works spilled over into the Fifth Plan with their provision in the Fifth Plan; and
- (ii) Separate lists of over-bridges spilling over from the 4th Plan and those proposed in the 5th Plan under the State's share which are being financed under Railway Safety Works Fund.

The State Governments have accordingly been addressed to supply this data. Replies have since been received from the States of Assam, Delhi, Tamil Nadu, Gujarat, Karnataka, Kerala, Goa, Maharashtra, Pondicherry, Arunachal Pradesh, Mizoram, Haryana, Meghalaya and Nagaland. Information is 'nil' for the last seven States, starting from Pondicherry to Nagaland. Information from some States is still awaited. The defaulting States are being addressed to expedite the supply of the necessary information. Meanwhile, the Ministry is also taking action in consultation with the Railway Ministry to draw up a tentative programme on the basis of the information available with them to take up the schemes as soon as funds are made available and according to as resources would permit. It is estimated that within a provision of Rs. 25 crores it may be possible to tackle at best 100—120 level crossings. Due to financial stringency, there was no provision for this scheme in 1974-75 and there is no provision in 1975-76 also. The Ministry is, however, pursuing the matter vigorously and will press the Planning Commission and Ministry of Finance to provide some provision for this scheme at least in 1976-77 to make a start. Contents of para 3 of the Committee's recommendation have been brought to the notice of the Railways as they are primarily concerned with the administration and utilisation of Railway Safety Works Fund.

Recommendation (Serial No. 58, Para No. 4.15)

The Committee would like to point out that there are a number of areas in the country like the Andaman and Nicobar Islands, Lakshadweep Islands etc. where coastal shipping provide the **only** connecting link of these Islands with the Mainland. Moreover,

there are a number of coastal areas like Konkan, where railway lines have not been laid and coastal shipping can provide a pivotal role in meeting the transport needs of the areas. The Committee recommend that Government should pay special attention to the development of these areas and provide efficient shipping services connecting these areas with the rest of the country. The desirability of subsidising these services in the interest of the development of these Islands and their integration with the Mainland may also be considered. As regards the coastal areas which are served by roads also, the Coastal Shipping services should be provided after taking into consideration the relative costs of the different modes of transport and the needs for developing coastal shipping as a second line of defence.

Reply of Government

Government have always kept in view the paramount need for providing adequate shipping services to the Andaman-Nicobar and Lakshadweep Islands in such a way that their development or integration with the mainland is in no way inhibited. As regards the question of subsidising these services, Government would wish to point out that this is a matter which cannot be considered in isolation. A common procedure has to be thought of for all other similar transport services which may be unremunerative, but required to be maintained in the national interest.

As regards the services on the Konkan coast, it has to be pointed out that the quantity of cargo moving by sea is not considerable. It is also felt where an alternate mode of transport has been developed and is able to provide cheaper and more efficient service, particularly in respect of high prices and low volume commodities, it would not be desirable to disturb the natural forces of supply and demand and seek the development of one mode of transport at the expense of another.

Recommendation (Serial No. 61, Paras Nos. 4.23 and 4.24)

The Committee note that a well-developed coastal fleet is essential for the development of coastal shipping in the country. The Committee however, regret to note that the number of ships and total tonnage has shown a continuous decline since 1964. The number of ships has gone down from 114 in 1964 to 56 in 1973 and the tonnage has gone down from 4,11,961 g.r.t. in 1964 to 2,20,217 g.r.t.

Moreover as many as 23 out of 56 coastal vessels as on 31st December, 1973 were more than 20 years old and only 4 vessels are less than 4 years old. Moreover, as has been pointed out by the Minor Ports Committee, 1973 the sizes and drafts of the vessels in operation in the coastal fleet have no manoeuvrability in respect of its employment at most of our minor ports which results in reduction in the efficiency of the fleet, slower turn round at the ports and bunching of vessels at terminals and results in high cost of cargo handling. The Committee regret to note that the acquisition of coastal fleet has been neglected by Government all these years with the result that coastal shipping in the country is continuously on the decline.

The Committee note that the Draft Fifth Plan provides for considerable expansion of coastal fleet and the target for coastal vessels by the end of Fifth Plan i.e. 1978-79 has been fixed at 6 lakh g.r.t. The Committee note that orders for 10 ships with Rumania have been placed and those are expected to be received in phases latest by 1976. Moreover, orders are being placed for some pioneer type vessels with Hindustan Shipyard also. The Committee recommend that in view of the imperative need for coastal vessels in the country and the role which coastal shipping is to play in the transport of coal, salt etc., after the commissioning of the Haldia Dock, Government should ensure that the target of 6 lakh g.r.t. by 1978-79 is achieved and financial constraints are not allowed to stand in the way of achieving this target.

Reply of Government

As on 1-9-1975, the total tonnage on the coast stands at 68 vessels of 3,39,071 lakhs g.r.t. Out of these vessels, 16 vessels are already over 25 years in age but many of these vessels are very small, being less than 1000 dwt each. Government have noted that the response of the Indian shipowners for bringing additional tonnage to the coast following the revision in the coastal freight rates has been satisfactory. The Indian National Shipowners' Association has also assured the Government that adequate tonnage for transporting specified quantities of coal and salt around the coast would be offered on receipt of indents from the Director General of Shipping. Now that an appropriate climate has been created for acquisition of additional tonnage on the coast, both as replacement and also as net additions, Government do not anticipate any difficulty in regard to the achievement of the planned targets for coastal shipping.

Recommendation (Serial No. 62, Para No. 4.25)

The Committee would like the Government to ensure that the new vessels acquired for coastal shipping are most economical, suitable and versatile to handle the types of cargo that would be required to be moved by the Coastal Shipping. They should have manoeuvrability for being employed in the minor ports also where they will be required to load and unload cargo.

Reply of Government

It is more probable that coastal trade will continue to be handled at the major ports and at selected intermediate ports. Having regard to the inadequate facilities and the high cost of providing appropriate facilities it may not be a practical proposition to think in terms of utilising a large number of minor ports for this purpose.

As already indicated in reply to recommendation No. 57, Government is already seized with the question of the selection of the most suitable type of vessel for deployment in the coast.

Recommendation (Serial No. 64, Para No. 4.50)

The Committee note that there are ten major Ports in India viz., Calcutta, Bombay, Madras, Cochin Vizag, Kandla, Mormugao, Paradeep, Mangalore and Tuticorin and these ports handle an annual traffic of about 65 million tonnes. The Committee further note that considerable investments have been made in these ports. Since the First Five Year Plan, a sum of Rs. 522 crores has already been invested in these Ports and the Fifth Plan also provides for an investment of Rs. 308 crores in these major ports. The Committee however, regret to note that in spite of the considerable investments made in the major ports and creation of additional capacity, the condition of these ports is far from satisfactory and there is great congestion of cargo, land detention of ships, slow loading and unloading of cargo, long turn round time of ships and unsatisfactory draft depth with the result that the shippers have adversely affected the foreign trade of the country.

Reply of Government

About half of the investment of Rs. 500 crores or so, mentioned above, was made during the 4th Plan period in schemes which are still not completed and so have not yet started yielding results.

Calcutta Port

In view of heavy capital investments at Haldia for the development of new deep draughted Dock system, which will be capable of dealing with bulk traffic which cannot use the main port of Calcutta, the investments made in the Calcutta Port have been kept marginal. Whatever expenditure is being incurred in Calcutta is primarily for retaining the existing capacity by replacement of old craft and equipment and to some extent by introducing additional mobile and cargo handling equipment to facilitate quicker loading and unloading of vessels. There is no great congestion of cargo or long detention of ships or even long turn-round of ships in the Calcutta Port, except for occasional bunching of foodgrain ships and occasional congestion of food grain and fertiliser cargoes. The bunching of food ship is caused because of the system of off-shore transfer of grains from mother-ships to daughter ships in the estuary and arrival in quick succession of a larger number of ships in port than can be accommodated in the reserved foodgrain berths. The non-availability of Dock Labour Board workers specially engaged for foodgrains vessels during the time of bunching, has also sometimes resulted in slower discharge of ships. The general cargo shippers have not, by and large, experienced difficulties in shipping export cargo through the port except where shipping services were not available in time. It was in this Port that full ships were loaded with palletised tea for the first time.

Bombay Port

The Port Trust have increased the warehousing capacity of the Port for storage of uncleared cargo. They have increased the number of auction sales for disposal of the unclaimed cargo and have created machinery for day-to-day coordination with the Customs for expediting clearance of cargo from the Port. As a result of these measures, the transit sheds are now, by and large, clear of the unclaimed cargo. This has improved the turn-round of vessels in the Port. Berths in the docks are now being continuously dredged whenever they are free and attempts made to maintain them at the designed levels.

The major investments made at the Bombay Port for augmenting port handling facilities from the commencement of the First Five Year Plan have been in respect of developing (i) P.O.L. handling facilities at Dutcher Island, and (ii) Dock Expansion Scheme and Ballard Pier Extension. Investments in P.O.L. handling facilities at

Butcher Island have added considerably to the capacity of this Port for handling mineral oils and refined products. Investments under Dock Expansion Scheme and Ballard Pier Extension were intended as a short-term measure of expansion to provide marginal increase in the Port's capacity and did not envisage much increase in draught and size of vessels being catered for in Indira Dock. The problem of long turn round time of vessels, detention to ships, slow loading and unloading rates occurring in the existing docks are mainly due to the fact that these docks, which were built at the beginning of this century (planned in 1905 and commissioned in 1914) have very limited back-up space and the approach to the docks is through P.D. 'Mello Road, which is an extremely congested road. The other reason for delays to ships is that the docks have been put to intensive use at almost 90 per cent berth occupancy. This severely hampers dredging and other maintenance works.

Madras Port

The Port Trust have stated that the working conditions have been steadily improving and the position regarding turn round time of ships has also improved.

Cochin Port

Some of the main reasons for detention of ships at this port are:—

- (1) Frequent arrivals of ships with classified Defence cargo. The Port has to handle more or less the entire quantity of such cargo imported in the country.
- (2) Non availability of deep-draughted berths.
- (3) Time loss in waiting for loaders for export cargo.

2. Occasionally, congestion occurs in the sheds because of slow clearance of import cargo mainly foodgrains, fertilizers and imported cotton and due to sudden cancellation of arrival of announced ships.

Visakhapatnam Port

There is no congestion of cargo at this port except in the case of foodgrains and fertilizers. The navigable water-ways of the port are always maintained to a minimum depth of 10.66 metres below low water ordinary spring trade (LWOST).

Kandla Port

Since the commissioning of this port in 1955, the traffic handled annually has been continuously on the increase except for the period from 1967-68 to 1970-71, when there was a sudden fall due to the cession of foodgrains imports. In order to enable efficient handling of larger volume of traffic expected to be offered during the Fifth Plan period, the following steps have been taken:—

- (a) A Marine Unloader with the rated capacity of 500 tonnes per hour for unloading fertiliser and its raw materials has been installed at berth No. 5 by the Ministry of Agriculture. This unloader is undergoing test runs at present.
- (b) A number of forklifts and other mobile equipment have been provided for facilitating palletisation, which leads to safer and faster handling of cargo.
- (c) Provision of a mechanical Salt Loader with a minimum capacity of 5000 tonnes per day is under consideration. The techno-economic study of this project has been entrusted to a firm of consultants.

2. On some occasions, the Port suffered from congestion of cargo on account of bunching of foodgrain and fertiliser ships, due to heavy imports of these commodities and as their clearance from the port did not keep pace with the rate of landing. Co-ordination meetings are held at all levels to remedy the situation.

Mormagao Port

The traffic at the Port has been steadily increasing and has reached 14 million tonnes during the last two years. The bulk of this traffic is the export of ores. About 20-22 per cent of ore traffic is handled at a specialised berth with a mechanical ore handling plant of a rather low capacity, which was commissioned in 1969, about 4—6 per cent at the alongside berths through railway wagons and the bulk is handled by ships working in stream by conventional manual means. The development project of the Port, which is currently under execution and expected to be commissioned towards the end of 1976, will provide a fast loading rate of 8000 tonnes per hour, besides providing facilities for handling alongside larger ore carries of 60,000 tonnes. The project also includes provision of an oil berth for handling large-sized oil tankers.

During the interim period and until the completion and commissioning of the project, some of the principal exporters/shippers of ores at the Port have taken measures to improve the rate of loading on large size ore Carriers in mid-stream operations. There has also been augmentation in the barge fleet engaged in the movement of ore from the mines to the Port and also increase in the sizes of the barges. All these measures have contributed to sustaining and increasing the ore traffic at the Port. There has been a steady increase in the DWT size of vessels calling at this Port, and the number of vessels in the DWT size group of 35,000 and above has increased from 95 in 1971-72 to 140 in 1974-75. With the completion and commissioning of the Mormugao Port Development Project, the entire iron ore traffic will be switched over to the new facility, whereafter the alongside berths will have more capacity to handle the projected traffic comprising items other than iron ore.

Paradip Port

There is no congestion at the port.

[Ministry of Shipping and Transport O.M. No. DCO-63/75-PDC dated 24-9-75]

Further Information called for by the Committee

Please intimate the steps taken to relieve the congestion at Bombay Port.

(Lok Sabha Secretariat O.M. No. 5/22/EC/75 dated 7-2-76)

Further Reply of Government

As regards by the Bombay Port Trust, the following steps have been taken to relieve congestion at Bombay Port:—

1. Packages which are not susceptible to damage by exposure to weather have been transferred from the covered sheds into the open.
2. Lists of bulk consignments lying uncleared in the docks are prepared and forwarded to the customs regularly for giving priority for disposal thereof with a view to vacating the space occupied by them in the sheds.
3. Wide publicity has been given to the facilities given by the customs for direct delivery of import cargo as well as for clearance of goods requiring simple test or minor

formalities on execution of bond. The importers have also been warned that in the event of their failure to make use of the facilities, no remission of demurrage would be granted to them.

4. The customs have agreed to permit imports and clearing agents of repute to store their cargo in their own warehouse under bond.
5. Two covered sheds outside the docks have been allotted to customs for storage of confiscated consignments of wool-len rags.
6. The customs have agreed to expedite disposal of confiscated cargoes lying uncleared in the docks.
7. The Docks Department has been strengthened to expedite disposal of uncleared cargoes by public auction under the provisions of sections 61 and 62 of the Major Port Trusts Act. The customs have also agreed to liberalise their rules regarding disposal of uncleared cargoes by auction.

The frequency and the value of auction of unclaimed and abandoned goods have been increased by holding auctions on every working day of the week.

8. A plot of land admeasuring 17,000 sq. metres has been offered by the Bombay Port Trust to the Central Warehousing Corporation for the constructing a warehouse for storage of confiscated goods and goods under detention for customs formalities.
9. Since the available covered warehouse accommodation of 60,000 sq. metres was found insufficient to accommodate all the cargo lying uncleared in the docks, additional 60,000 sq. metres of covered warehouse accommodation was provided by either converting same unused transit sheds area into warehouses or acquiring new warehouses within and outside the docks. Similarly, the open warehouse area of 26,000 sq. metres was augmented by converting a plot of land admeasuring 44,000 sq. metres at Timber Depot into a warehouse.

Plans for increasing the covered warehouse accommodation in the Port by 8,000 sq. metres have been sanctioned and three single staired warehouses, two in the Docks and one at Cotton Depot will be constructed within 6 months.

10. A new shed has been allotted to the Central Warehousing Corporation at Cotton Depot for administering a public bonded warehouse and half of the existing bonded warehouse in Indira Dock has been vacated by transferring the cargo to Central Warehousing Corporation's warehouse at Cotton Depot. The vacant area has been converted into an uncleared goods warehouse.

(Ministry of Shipping and Transport O.M. No. DCO-63/75-PDC dated 26-2-1976)

Recommendation (Serial No. 69, Paras Nos. 4.62, 4.63 and 6.64)

4.62. The Committee note that in addition to 10 major ports in the country, there are 226 intermediate and minor ports, out of which 157 are working ports. Of these, only 118 ports have any traffic. 17 ports handle an annual traffic of between one lakh and 10 lakh tonnes, 70 handle an annual traffic of less than 10,000 tonnes. In 32 ports, the annual traffic was even less than 1,000 tonnes. The Committee regret to note that the intermediate|minor ports in the country are generally in a poor condition and are not being fully utilised for the transport net work of the country. These ports have neither the necessary drafts nor the requisite handling facilities for the cargo with the result that transportation costs through these ports are generally inflated and coastal traffic is continuously going down.

Action Taken

Major ports find place in the Union List of the Constitution whereas ports other than Major ports are placed in the Concurrent List. Minor ports and intermediate (the expression 'intermediate ports' is only for convenience of indicating some of the more developed minor ports) are owned and administered by the State Governments concerned who have executive responsibility for developing them. Government of India render technical assistance to the State Governments for the development of these ports whenever approached by the State Governments. Central Government also gives loan assistance in the form of long term loans for the execution of developmental schemes relating to selected minor ports under the Five Year Plans. But even in respect of these Centrally Sponsored schemes, the executive responsibility for their development, maintenance and operation vests with the State Governments.

Recommendation

Para 4.63. The Committee note that the Fourth Five Year Plan provided for an intensive development of one minor port in each maritime State but the sanction of the schemes were considerably delayed with the result that much headway could not be made in the development of these ports. It is thus evident that the development of intermediate/minor ports in the country has been dealt with in a casual manner and did not receive the earnest attention that it desired, which is regrettable.

Action Taken

In September 1968, the National Development Council approved a List of Minor ports, one from each maritime State for intensive development with the proviso that Central Government will finance schemes only which qualify for assistance. The State Governments took time to prepare details of the schemes and their plans and estimates etc. Examination of the schemes from the point of view of traffic, potential, economic viability engineering aspects entailed time; such examination is necessary as heavy investment of Government funds is involved.

Recommendation

Para 4.64. The Committee consider that as the major ports in the country are congested and overburdened with overseas trade, the intermediate minor ports can play a vital role in the transport network of the country and in the development of their adjoining regions. These ports can prove very useful in the development of coastal traffic which has considerable scope for expansion in the country and can serve as feeders to major ports and relieve congestion at these ports. The Committee consider that for the development of coastal shipping, a selective development of minor ports with requisite facilities for loading and unloading of cargo, is necessary by reserving adequate amount of cargo for coastal movement and evolving suitable types and sizes of vessels to meet the requirements of coastal traffic. The Committee urge that the selective development of these ports, at suitable locations, should be undertaken after a detailed study of their economic viability so that they can serve as feeder ports for moving the cargo from their hinterland to the adjoining major ports and *vice versa*. It is also necessary that State Governments concerned also take steps for the development of hinterland of these ports as well as for providing adequate communication facilities, particularly in view of the fact that Fifth Plan provides for a considerable increase in the coastal traffic in the country. It should however be ensured that there is no overlapping and duplication of facilities. A coordinated

review of all modes of transport in the State should be undertaken to ensure an integrated and economic development of transport facilities both for goods and passenger traffic.

Action Taken

As indicated under para 4.68, development of minor ports is the responsibility of the State Governments concerned. The ports covered under the Centrally Sponsored scheme were specifically selected on the basis of their economic viability traffic potential and other related matters. Development of minor ports which handle coal and salt (as in the Minor Ports of Gujarat) would facilitate the development of coastal shipping.

Recommendations (Serial No. 70, Para No. 4.65)

The Committee further note that the Minor Ports Committee in their report submitted in 1973, has made a number of recommendations for the development of these ports like reservation of suitable coastal cargo, provision of adequate port facilities integrated development of communication system and hinterland of these ports, provision of handling facilities etc. The Committee recommend that Government should take immediate action for the implementation of the recommendations of the Minor Ports Committee.

Action Taken

As the development of ports other than Major Ports is the responsibility of the State Governments, copies of the recommendations of the Minor Ports Committee have been made available to the State Governments for necessary action.

Recommendation (Serial No. 71, Para No. 4.66)

During their visit to some of the Ports in Gujarat like Bhavnagar Port, the Committee were informed that there is continuous siltation and inadequate dredging capacity with the result that the working of these ports was adversely affected. The Committee would like Government to take corrective measures in the matter early so as to improve the working of these Ports.

Action Taken

As the responsibility for keeping ports, other than Major Ports, vests with the State Governments concerned, Gujarat Government have to take action regarding siltation in Bhavnagar. A

copy of this recommendation is being sent to the Government of Gujarat for necessary action.

(Ministry of Shipping and Transport OM No. DCO-63/75 PDC dated 23-8-75).

Further Information called for by the Committee

Please intimate the present position regarding the development of Ports selected by the National Development Council in 1968.

(Lok Sabha Secretariat OM No. 5/22/EC/75 dated 7-2-76.)

Further Reply of Government

The National Development Council in its meeting held on 13-9-1968 decided that for the Fourth Plan only certain specific and well defined schemes for Minor Ports development should be included in the Centrally Sponsored Schemes. In view of the large spill over programme from the Third Five Year Plan and the continuing strain on resources, it was felt that in order to obtain maximum benefit it would be preferable to concentration certain well defined schemes related to the traffic potentialities of the ports so that at least one port in each maritime State is brought to a specific stage of development. This approach has been followed from the Fourth Five Year Plan onwards.

2. The following Ports were selected and included in the Centrally Sponsored Scheme in the Fourth Plan for the grant of loan assistance for developmental purposes for an outlay of Rs. 13 crores:—

Port	State
Gopalpur	. Orissa
Kakinada	. Andhra Pradesh
Cuddalore	. Tamil Nadu
Beyport	. Kerala
Karwar	. Karnataka
Miriyabay	. Maharashtra
Porbander	. Gujarat

Of the seven Schemes except Gopalpur in Orissa and Karwar in Karnataka the approved Schemes were under different stages of execution in the Fourth Plan period. The schemes relating to development of Gopalpur and Karwar have not been sanctioned so far the reasons for which have been explained later in the note. The question of approval of these schemes are under consideration with the Government. The progress in the execution of each scheme is given below:—

1. Kakinada (*Andhra Pradesh*)

Important works including re-alignment of Railway track, dredging the channel, provision of Navigational aids, development of loading area and extension of north groyne have been completed. Two out of five mechanised barges have been delivered and the remaining three barges are under construction and are likely to be delivered during 1976.

2. Cuddalore (*Tamil Nadu*)

The main components of the scheme are:—

- (1) Construction of Breakwater & Sandpump trestle.
- (2) River Training works.
- (3) Acquisition of sand pumps.
- (4) Dredging.

The entire work except for dredging has been completed. The State Government have stated that the dredging work is proposed to be taken up with the dredger to be delivered shortly.

3. Beypore (*Kerala*)

The main item of work of the approved project is dredging of the approach, channel to the river basin at Beypore. The dredging work is in progress. Action to procure floating crafts like tugs, launches etc. is being taken by the State Govt. The State Government have indicated the completion date for the scheme as 1978.

4. Mirya Bay (*Maharashtra*)

The approved scheme for receiving coasters upto 20' draught consists of the following works:—

- (1) Reclamation of 8 acres of land.

- (2) Construction of a Breakwater of 1500 ft. length.
- (3) Construction of a Jetty.
- (4) Highway from Port to Ratnagiri Kolahpur Road.

The Scheme as sanctioned has been completed.

5. *Porbander (Gujarat).*

The Chief features of the schemes sanctioned are:—

- (1) Construction of a breakwater of about 8600' in length.
- (2) Construction of an alongside berth for coastal vessels.
- (3) Two mooring berths.
- (4) Navigational aids.

About 5600 ft. of the breakwater has been completed and the balance work is in progress. Tenders for alongside berth have been invited. The whole scheme is scheduled to be completed by the end of 1977.

6. *Gopalpur (Orissa).*

The Committee headed by Development Adviser submitted its report in April, 1970 recommending development of port facilities at Gopalpur. The State Government subsequently informed the Ministry in January, 1972 that the site recommended by the Committee was being shifted to meet the requirements of M/s. Indian Rare Earths Limited who are proposing to put up a factory for processing of ilmenite sand. While considering the port facilities to be provided and their location, the Australian consultants of M/s. IRE suggested the shifting of the sand separation plant further north base on the concentration of mineral content and the availability of the feed material over a period of years. Since the traffic from IRE constitutes a significant portion of the total traffic through the proposed port, a site close to the suggested mining area of IRE was finally selected by the Orissa Government for providing the port facilities. Subsequently the State Government prepared techno-economic feasibility Report in September, 1973 for the commercial cum fishing harbour. Thus the finalisation of the development scheme for Gopalpur port was held up due to the location itself not being finalised.

The scheme was further discussed with the representative of the State Government, Indian Rare Earths, Central Water and Power

Research Station and the Ministry of Agriculture and finalised. The estimated cost of the scheme is Rs. 5.90 crores (Rs. 5.26 crores for the commercial harbour and Rs. 0.64 crores for the facilities for fisheries). The traffic was assessed at 4.50 lakhs tonnes.

The scheme as proposed provides for the following facilities which will be suitable for both lighters and trawlers having a loaded draught of upto 2.5 metres.

- (1) A dock arm with two berths for lighters—one for the traffic from Indian Rare Earths Limited and the other for the General Cargo traffic.
- (2) A separate dock for locating facilities for fisheries.
- (3) An entrance channel to be maintained by a sand pump mounted on a trestle, supplemented by a floating pontoon mounted grab dredger.

The port will be a fair weather lighterage port remaining open for about 7 months in a year.

The sanction to the Scheme is now under consideration in consultation with the Planning Commission.

7. Karwar (Karnataka).

The Government of Karnataka had initially submitted a Project Report for Karwar in December, 1969. The same was based on traffic projections of iron ore from the Bellary Hospet area and was rather ambitious. Since a working Group of the Ministry of Steel and Mines (Department of Mines) had been engaged on the questions relating to the export of iron ore from the Bellary Hospet area and particularly the question of possible outlets for the ore, Government of Karnataka were advised to revise their Project Report not basing it on the iron ore projections from the Bellary Hospet area.

The second revised Project Report was received from the Government of Karnataka in December, 1970. It was found, however, that they had again based their proposal on the possible outlet of iron ore of Bellary Hospet region through Karwar. The projections were again found to be ambitious. They were, therefore, advised

once again to re-examine their proposals and submit a further revised Project Report.

The Third Project Report received in January, 1973 was for faster handling of the ore already going through the port and available for such movements. The estimated cost of the Project is Rs. 5.77 crores. The proposals are based on the traffic projections of one million tonnes of export of iron ore through the port by the MMTC.

The Report was examined by Development Adviser (Ports) and the Project was finalised in consultation with Officials of the Government of Karnataka and Minerals and Metals Trading Corporation and technically cleared by this Ministry.

The scheme cleared by the Ministry envisages the following facilities.

- (1) An ore stacking yard of capacity to stack 3.5 lakhs tonnes of ore.
- (2) An approach Jetty for carrying the conveyor system from the Shore to the off-shore terminal head.
- (3) An off-shore terminal head in —9.14 depth of water and dredging the terminal area and approaches to receive ore carriers upto 40,000 D.W.T.
- (4) A static type ship-loader capable of loading ore at the rate of 10,000 tonnes per day at the terminal.
- (5) Mooring buoys, sea going tug of 15 ton bollard pull, mooring boats etc. to enable ships of size 40,000 DWT class to berth alongside the terminal head for direct loading.

Sanction to the Scheme has been under consideration in consultation with the Planning Commission. To sort out the points raised by the Planning Commission regarding the financial viability of the Scheme and other issues, a meeting was held in December, 1975 and a detailed viability study is being worked out by Government of Karnataka and MMTC.

[Ministry of Shipping & Transport O.M. No. D. AO-74/74 dated 4th March, 1976]

Recommendation (Serial No. 75, Para No. 5.14)

The Committee regret to note that inland water transport has received a very meagre allocation in the Five Year Plans. It is noted that no allocation was made for inland water transport in the first Five Year Plan while the allocation in the Second, Third and Fourth Five Year Plan was only Rs. 16 crores approximately out of a total provision of more than Rs. 7,000 crores on the transport sector. In the draft Fifth Plan also, the provision for inland water transport is Rs. 69 crores only including Rs. 22 crores for Farakka Barrage Project, out of a total provision of Rs. 5697 crores on the transport sector which is less than 1.5 per cent of the total provision. It is thus evident that the potentialities of inland water transport in the transport system of the country have not been realised and although a number of Committees appointed by Government, have emphasised the inherent advantage of this mode of transport for the national economy, their recommendations have remained largely unimplemented due to organisational deficiencies and lack of resources. The result has been that this system of transport has not been put on sound lines. The Committee would like Government to take necessary corrective measures in this regard at an early date.

Action taken by the Government

The Working Group on Fifth Plan recommended a provision of Rs. 100 crores for I.W.T. In the second meeting of the Central I.W.T. Board held at New Delhi in November, 1973, the States' representatives represent against the inadequate provision recommended by the Working Group. Consequently, on the basis of fresh scheme, a provision of Rs. 199.76 crores was recommended by this Ministry for I.W.T. in the Fifth Plan but due to constraint of resources the Planning Commission could not allocate more than Rs. 69 crores (inclusive of Rs. 7 crores in the Fifth Plan of State Governments and Rs. 22 crores for Farakka Barrage). Efforts will be made to obtain more allocation. I.W.T. Cells/Directorates have been set up in most of the States. Proposal to strengthening the I.W.T. Directorate at the Centre is also under consideration.

[Forwarded *vide* IWT Directorate O.M. No. 28-IWT(14)/75-P&W dated the 26th September, 1975]

Recommendation (Serial No. 76, Para No. 5.15)

The Committee are, however, surprised to note that even the meagre allocations made in the various Five Year Plans for inland

water transport, have not been utilised and there has been considerable shortfalls in expenditure as compared to the allocations made in the various Five Year Plans for inland water transport. In the Second Plan, against a provision of Rs. 143.32 lakhs only a sum of Rs. 72.34 lakhs, i.e. about 50 per cent was utilised, in the Third Plan against a provision of Rs. 548 lakhs, only a sum of Rs. 307.04 lakhs i.e. about 63 per cent was utilised and in the Fourth Plan again a provision of Rs. 900 lakhs, a sum of Rs. 674 lakhs i.e. about 75 per cent was utilised. The Committee fail to understand the reasons for the non-utilisation of these allocations. The Committee recommended that the reasons for the non-utilisation of these provisions in full should be analysed in detail and corrective measures taken. Moreover, Government should take steps to ensure that the amount allocated for inland water transport in Fifth Plan are fully utilised.

Action taken by the Government

The slow pace of development of work pertaining to inland water transport has been due to lack of inadequate manning of I.W.T. Cells in States. Now that these Cells have been set up in most of the States, the utilisation of funds will be better.

[Forwarded vide I.W.T. Directorate O.M. No. 28-IWT(14) | 75-
P&W dated the 26th September, 1975]

Recommendation (Serial No. 78, Para No. 5.24 & 5.25)

The Committee note that Ganga provides a magnificent waterway in the north India and with the commissioning of the Farakka Feeder Canal, it will be possible to provide a direct link for transportation of cargo and passengers all the way from the Port of Calcutta | Haldia upto places like Patna, Varanasi and Allahabad. The Committee further note that Ganga can provide enormous scope for transportation of important bulk cargo like jute, salt, cement, sugar, iron and steel products, timber and general cargo. Even coal can be transported by inland water transport to a considerable extent. The Committee feel that Ganga is a national asset which must be harnessed fully for commercial navigation to supplement the already congested railway and road transport in this area.

The Committee need hardly emphasise that water transport on the Ganga river will go a long way in opening up opportunities for the development of the far flung areas in its hinterland and bringing the advantages of a port outlet to these areas through this cheap system of transport. It will generate considerable employment

opportunities at the various river stations in this region and would be held in the Development of ancillary industries which are required in connection with the expansion of river services. The Committee recommend that necessary steps for improving the navigability of the river by bandalling and other measures should be taken so that this potential source of inland water transport may be utilised to the maximum possible extent.

Action taken by the Government

Hydrographic survey of River Ganga from Allahabad to Farakka has been completed by the I.W.T. Directorate and maps are made available to those interested in running I.W.T. services, Hydrographic Survey of Ganga-Bhagirathi-Hooghly from Farakka to Bay of Bengal has also been done by Calcutta Port Trust.

A traffic study of the river Ganga from Allahabad to Calcutta has been entrusted to the N.C.A.E.R. On receipt of its report the question of commercial navigation will be considered.

In regard to movement of coal by Ganga from Pirpaiti, it may, however, be stated that the Ministry of Energy had earlier proposed movement of 8,000 tonnes of coal per month by I.W.T. That Ministry has now intimated that the coal produced at this colliery is of inferior quality and it can be used by thermal plants which are suitably designed for use of inferior quality of coal. This coal can be used for burning of poorer quality of bricks or for domestic use or a substitute fuel and is thus not fit for use by industries. The brick kilns are, therefore, not likely to require this coal from a long distance. In the circumstances, there is no encouraging possibility of this coal being offered for I.W.T. for transportation.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W dated the 26th September, 1975]

Recommendation (Serial No. 79, Para No. 5.26)

The Committee note that the Inland Water Transport Committee, 1970 had recommended Ganga-Bhagirathi-Hooghly for being considered as a national waterway and had also expressed the view that facilities for berthing inland craft construction of modern jetty with necessary cargo handling facilities, transit warehouse, etc., should be provided at Farakka to facilitate smooth handling and transshipment. The Committee regret to note that the matter is still under consideration of the Government of West Bengal. They recommended that a decision in the matter should be taken expeditiously.

Action taken by the Government

The National Waterways Committee in its report submitted in 1974 stated that after the completion of the Farakka Barrage, there would be a waterway (Ganga-Bhāgirathi-Hooghly) connecting the major port of Calcutta. The Committee recommended that this river system should be selected for eventual declaration as National Waterway.

In the meantime, the National Council of Applied Economic Research has already been entrusted with the traffic survey of the river Ganga from Allahabad to Calcutta which will cover Farakka also. The question of providing terminal facilities at Farakka will be considered after the report of the N.C.A.E.R. is received.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W dated the 26th September, 1975]

Further Information called for by the Committee

Please intimate if any time limit for submission of the report by N.C.A.E.R. has been laid down.

(Lok Sabha Secretariat O.M. No. 5/22/EC/75 dated 7-2-1976)

Further Reply of Government

When the study of the traffic potential for I.W.T. between Allahabad and Calcutta on the river Ganga was entrusted to N.C.A.E.R. in October, 1974, it was stipulated that it should be completed within a period of 9 months to one year. Earlier it was estimated by the N.C.A.E.R. that it would be possible to complete the survey by December 1975. It has now been intimated that there have been unfavourable circumstances beyond its control and every endeavour would be made to complete the study by the end of current financial year, i.e. 31st March, 1976.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(4)/76-P&W dated the 26th September, 1976]

Recommendation (Serial No. 80, Para No. 5.27)

The Committee further note that the Ministry of Energy have offered two million tonnes of coal for being carried by inland water transport vessels in the Ganga from Rajmahal collieries to various stations and a scheme in this regard has been prepared by the Ministry of Shipping and Transport. The Committee recommend that this matter should be follow-up urgently.

Action taken by the Government

A traffic survey of the river between Allahabad and Calcutta has been entrusted to NCAER and the question of running a commercial service on the Ganga to carry *inter alia* coal will be considered as soon as the report has been received.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W, dated the 26-9-1975]

Recommendation (Serial No. 81, Para No. 5.36)

The Committee note that Buckingham Canal in the South plays an important role in providing transport facilities in the States of Andhra Pradesh and Tamil Nadu. The Canal, with a total length of 416 kms. links important commercial centres with the ports of Kakinada and Machlipatnam and there is scope for bulk movement of ores and agriculture produce through the Canals.

The Committee, however, regret to note that although the Buckingham Canal provides considerable scope for inland water transport, the traffic in the canal is declining and large parts of the canal has silted up with the result that only 88 kms. out of its total length of 258 kms. in Andhra Pradesh is navigable. Moreover, in the absence of lining of the canal, it is not possible to permit operations of mechanical boats. The Committee recommend that necessary steps to improve the navigability of the canal and its lining should be taken immediately.

Action taken by the Government

Schemes costing Rs. 670 lakhs have tentatively been included in the draft Fifth Plan for development of Buckingham Canal including lining therefor by the Governments of Andhra Pradesh and Tamil Nadu. The Study Group on Buckingham Canal in its report submitted in June, 1974 recommended development of this canal at a cost of Rs. 800 lakhs. This recommendation is under consideration in consultation with State Governments. Release of funds for implementation of this scheme will, however, depend on the acceptance of the recommendation by the State Governments and availability of funds in the Central Budget.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W, dated the 26-9-1975]

Recommendation (Serial No. 82, Para No. 5.38)

The Committee note that in the draft Fifth Plan, schemes for widening and lining of the Canal and its improvement at an estimated cost of Rs. 670 lakhs have been included but for the present

only schemes for prototype studies and the lining, etc., at an estimated cost of Rs. 5.98 lakh have been sanctioned and the remaining schemes will be taken up only when resources position permit. The Committee recommended that in view of the vast potentialities of the canal for inland water transport, work on the deepening and lining of the canal should be taken up at an early date.

Action taken by the Government

The Study Group on Buckingham Canal in its report submitted in June, 1974 has recommended development of this canal at a cost of Rs. 800 lakhs. This recommendation is under consideration in consultation with the Governments of Tamil Nadu and Andhra Pradesh.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W dated the 26th September, 1975]

Further Information called for by the Committee

Please intimate the present position in the matter and the likely date by which a decision is likely to be taken.

(Lok Sabha Secretariat O.M. No. 5/22/EC/75 dated the 7-2-76.)

Further Reply of Government

The recommendations of the Study Group on Buckingham Canal have been considered in consultation with the Governments of Tamil Nadu and Andhra Pradesh. It has been observed that the quantum of cargo carried in the portion of the canal lying in Tamil Nadu has been declining. It has, therefore, been decided that the second phase for the development of the Buckingham Canal lying in the Tamil Nadu may be kept in abeyance for two years. The development of traffic in the canal due to completion of first phase work will be observed within this period and the position will be reviewed thereafter.

2. The position in respect of the portion of the canal lying in Andhra Pradesh is that even the first phase of the scheme has not been completed. The cost of construction has exceeded the sanctioned estimate and the revised estimate submitted by Andhra Pradesh Government is under examination. It will have to be seen for some time whether there is any increase in the traffic potentiality due to completion of the first phase works. Moreover, the second phase will be a very expensive undertakings. It has consequently been decided to keep the second phase development work in the stretch of the canal lying in Andhra Pradesh also in abeyance for two years and to review the position thereafter.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(4)/76-P&W, dated the 26-2-1976]

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 11, Para No. 2.21)

"The Committee note that investments of more than 5000 crores of rupees have been made in the Railways during the Five Year Plans with the result that the capital-at-charge of the Railways increased from Rs. 1521 crores in the beginning of the Third Plan to Rs. 2680 crores by the end of the Plan representing an increase of 76 per cent during the Third Plan period. The capital of the Indian Railways during 1973-74, i.e., last year of the Fourth Plan was Rs. 3,890 crores representing an increase about 45 per cent during the Fourth Plan period. However, even with this massive investment and creation of considerable capacity, the freight traffic carried by the Railways has not shown any appreciable increase and has been considerably lower than the targets. The Committee note that the Fourth Five Year Plan, originally envisaged a freight traffic target of 265 million tonnes by the end of 1973-74. This target was subsequently revised downwards to 240.5 million tonnes at the time of Mid-term appraisal. The actual traffic handled by the Railways during 1973-74 was to the tune of 185.2 million tonnes only which was even less than carried in 1968-69, the year immediately proceeding the Fourth Plan."

Reply of Government

Please see remarks against para 2.22 of the Report.

Comments of the Committee

Please see comments under Chapter I.

Recommendation (Serial No. 12, Para No. 2.22)

"The Committee are unhappy that in spite of enormous investments made in the Railways over the years, there has not been any significant and expected increase in the freight traffic moved by the Railways. As has already been pointed out, the freight traffic moved by the Railways during 1973-74 in terms of both million tonnes loaded as well as net tonne kilometres moved, has been less than in 1968-

in spite of an investment of Rs. 1,420 crores during the 4th Plan period. This would indicate that there has not been proper planning and co-ordination in the creation of additional capacity on the Railways which has not been in conformity with the demand. No provision also appears to have been made for the shift in traffic pattern. Investments for the creation of spare capacity appears to have been made by the Railways, ahead of or at variance with the emerging pattern of traffic demand. This has created a paradoxical situation where, on the one hand, there is spare capacity without the demand therefor and on the other hand, the traffic offered is not being moved. This is a serious situation. The Committee stress that a thorough study of the capacity available with the Railways should be undertaken on a priority basis with a view to identifying areas or sections where spare capacity is available as also the sections and areas where there are bottlenecks. The areas constituting bottlenecks should be identified and concerted measures taken to resolve them in full co-ordination with all other means of transport so as to derive the maximum benefit from the resources spent and the capacities created.

The Committee need hardly emphasise that the country cannot afford to spend scarce resources on investments which do not produce concrete results. They, therefore, recommend that further investments on the Railways should be made judiciously and after most careful and thorough scrutiny."

Reply of Government

With regard to Committee's observations regarding investment in the Railways' Five Year Plans, *vis-a-vis* the materialisation of freight traffic below the target, it may be pointed out that utilisation of assets to the maximum advantage has always been the constraint endeavour of the Railways. It has, however, to be appreciated that the Railways capability to transport any quantum of traffic on the basis of capacity created depends on the existence of normal working conditions. If the normal functioning of the Railways is beset with extraneous factors, shortfall in the lifting traffic is inevitable.

2. While it is true that the originating tonnage lifted by the Railways was substantially below the target prescribed for them in the Fourth Plan, the capacity available at the end of the Plan was, however, nowhere near the target set for Railways. Firstly, while the target of freight traffic to be lifted in the Fourth Plan was fixed as 240.5 million tonnes, provision of resources was made only for lifting 235 million tonnes of freight traffic. Secondly, while fixing the above target it was envisaged that the average distance of haul of traffic would be around 630 kilometres and as such the total work load for the Railways as reflected by the figures of net tonne

kilometres would be $235 \times 630 = 148$ billions. The actual distance of haul over the years has, however, far outstripped the target prescribed. Thus, in 1972-73 itself the average lead of traffic had increased to 678 Kms. and the workload on the Railways as reflected by the figure of NTKMs had already risen to 136 billions, despite the fact that the originating tonnage lifted in that year was only 201 million tonnes. In 1973-74, the last year of the Fourth Plan, Railways had anticipated lifting of 215 million tonnes of originating freight traffic which at the level of the average lead already achieved in the previous year, would have amounted to a total workload of 146 billion NTKs which is only marginally less than the target of 148 billions. Unfortunately, however, Railway operations during 1973-74 were far from being normal due to stagnation in industrial production notably of coal, steel and cement together with extensive power cuts and also the disturbed conditions of industrial relations which finally culminated in the country-wide strike of Railwaymen in May, 1974. This resulted in lifting of only about 185 million tonnes of traffic in the last year of the Plan. But for this, however, the Railways would have nearly achieved the performance expected of them during the Fourth Plan. Thirdly, the capacity that was supposed to be generated by the end of the Fourth Plan envisaged acquisition of certain number of locomotives and wagons which did not actually materialise. Thus, against 875 Main Line diesel and electric locomotives and 68,776 wagons, the actual production achieved was 672 locomotives and 57,608 wagons. In other words, the actual procurement was nearly 300 locomotives (about 35 per cent) and 10,000 wagons (about 16 per cent) less than the target which itself meant considerable reduction in the ultimate capacity generated by the Railways during the Fourth Five Year Plan. Fourthly an important factor which needs reckoning is that the actual growth of passenger traffic in the Fourth Plan far outstripped the target thereof in the Plan. Thus, against the projected growth of about 20 per cent for which provision was made in the Fourth Plan, the actual traffic handled in the penultimate year (1972-73) of the Fourth Plan itself was 22 per cent and despite Railway operations remaining under severe strain due to disturbed industrial relations, in the last year of the Plan, the passenger traffic handled was 23 per cent higher than the traffic obtaining at the commencement of the Plan. To meet the increased demand of passenger traffic, resources had necessarily to be diverted from freight traffic. Taking all these factors into account, a detailed study was undertaken according to which the Railways' capacity for handling freight traffic at the end of the Fourth Five Year Plan, assuming the best possible norms of usage of rolling stock, works out to only 215|220 million tonnes of originating traffic at current leads. It is, therefore, clear that the capacity available with the

Railways is no-where near 240 million tonnes (which was the target for the Fourth Plan) as assumed by the Planning Commission. It may also be added, here, that Railways' capacity would have to be substantially augmented if the traffic targets in the Fifth Plan are to be achieved.

3. As for Committee's observations that no provision appears to have been made for the shift in traffic pattern with the result that an imbalance in the flow of traffic developed and that a study of the capacity available should be made with a view to identifying areas|sections where spare capacity is available as also the sections where there are bottlenecks, it may be mentioned that the Railways are already alive to the need of fuller utilisation of their assets. In this connection it will be appreciated that the Railways have to depend on the forecast of production and rail transport requirements given by other user Ministries|public sector undertakings controlling the respective sectors. In quite a few cases, changes in the pattern of traffic cannot always be foreseen. For instance during the earlier part of the last decade, we had to depend on heavy import of foodgrains for which the Railways had to gear up to undertake movement from the respective ports to the hinterland. In the later, 60's with the onset of the 'Green Revolution' which could not earlier be forecast with any degree of certainty, the movement pattern completely changed. In the subsequent years, however, when there was a drought, the traffic pattern once again changed when we had to revert back to imports. These changes in the pattern of foodgrains traffic are such as depend upon the vagaries of weather and cannot be foreseen. A more recent example of unforeseen changes is the current oil crisis. A large number of industries and power houses which had been depending on Oil, would have to switch over to coal and to that extent changes in the traffic are inevitable. Nevertheless as explained earlier, while formulating the traffic forecast, the Railways are guided by the assessment given by the various user Ministries in consultation with the Planning Commission. The capacity created for lifting traffic is constantly under review and action, well in time, is taken to avoid bottlenecks in movement. The Railways are also alive to the imperative need for judicious investments.

Comments of the Committee

Please see comments under Chapter I.

Recommendation (Serial No. 15, Para No. 2.25)

The Committee note that the representative of the Ministry of Railways (Railway Board) has in his evidence before the Committee

claimed that since June, 1974 the movement of traffic on the Railways has considerably picked up and at present except some pockets, Railways have capacity to move all the traffic that is offered to them. The committee recommend that the Railways should, in their annual report, as well by issuing press communiques periodically publicise the sections where there is spare capacity and the Railways are able to offer wagons for any type of traffic so that the users in that area may take advantage of the facilities so offered to the maximum possible extent.

Reply of Government

There has been a sustained improvement in Railway operations after May 1974. The Railways lifted 11.45 million tonnes more of revenue earning traffic in 1974-75 as compared to 1973-74. In the current financial year also, revenue earning traffic lifted in the four months ending July '75 is 9.73 m.t. higher than in the corresponding period of last year. As a result, the outstanding wagon demands with the Railways which were 1.36 lakhs on the B.G. and 1.66 lakhs on the M.G. at the beginning of 1975-76, have been brought down to barely 17,000 on B.G. and 31,000 on M.B. by the middle of August '75. Railways are meeting all wagon demands currently.

The Marketing and Sales Organisation of the Railways is in close contact with the trade and industry and other users with a view to attract more traffic to rail. Adequate publicity is also being given to Railways' performances and capacity to lift traffic.

It is, therefore, submitted for the consideration of the Committee that in view of the break through achieved in loading of traffic and close contact being maintained with the trade, it may not be necessary to publicise the sections where the movement position is relatively easy as it may give rise to a distorted impression regarding the ability of the Railways to move traffic generally and even on other fully saturated routes. Further, the annual reports of the Railways contain a good deal of statistical technical data and are published much after the close of the financial year. Inclusion of the information proposed by the Committee may not be found useful.

Comments of the Committee

Please see Comments under Chapter I.

Recommendation (Serial No. 23, Para Nos. 2.61 and 2.62)

The Committee regret to note that there has been persistent fall in the movement of the targeted traffic by the Railways during

the Third and Fourth Five Year Plans. There have been widespread complaints by the users particularly the interests representing commerce, industry and manufacturing in the country regarding the non-availability of wagons. The Committee are distressed to note that in spite of considerable investment in the rolling stock, the freight traffic carried by the Railways has not shown any increase but has on the other hand shown a decline, and has not in any year touched the target. During the Fourth Five Year Plan, against a revised target of 240.5 million tonnes, the freight traffic actually carried by the Railways was 184.5 million tonnes in the last year of the Plan. This shortfall in the movement of traffic has resulted in wide-spread shortage of important bulk commodities, mainly due to non-availability of wagons.

2.62. The Committee further note the draft Fifth Five Year Plan has indicated a target of 300 million tonnes of originating freight traffic to be carried by the Railways by the end of Fifth Five Year Plan period and an addition of 1,00,000 wagons in the existing fleet of wagons. The Committee also note that the Railways had fixed a target of carrying 240 million tonnes of traffic by 1973-74 i.e. the last year of the Fourth Plan and necessary capacity for the same was created. However, there was considerable shortfall in the actual freight traffic carried by the Railways which amounted to only 184.9 million tonnes in 1973-74. The Committee feel that as the Railways have created sufficient capacity by massive investments in the four Five Year Plan periods, they should have no difficulty to achieve the target fixed for the Five Year Plan period by improving their turn-round of wagons and cutting down detention time to the minimum. The Committee recommend that the Railways should make concerted efforts in this direction and achieve the targeted traffic for the Fifth Five Year Plan by improving operational efficiency and with minimum investment.

Reply of Government

The recommendations of the Committee are noted. As has already been brought out in reply to paras 2.7, 2.21, 2.22 and 2.61 of the Report, apart from a substantial increase in lead in the Fourth Five Year Plan, railway operations during the last year of the Plan were seriously affected due to disturbed labour condition and other reasons beyond Railways control. As a result, the Railways efforts to achieve higher level of loading at the end of the Plan i.e. in 1973-74 were badly hampered. As regards the Committee's observation that the Railways had created necessary capacity for carrying 240 million tonnes of traffic by the end of the Fourth Plan, it may be mentioned that, as earlier clarified during the course of oral evidence on the 25th and 26th November 1974, the actual transport

capacity with the Railways at the end of the Fourth Plan was about 215 million tonnes of freight traffic at an average lead of 678 Kms., which was the actual lead in the penultimate year of the Plan (i.e. 1972-73). In this connection it may be mentioned that while it is true that the originating tonnage lifted by the Railways was below the target prescribed for them in the Fourth Plan, the capacity available at the end of the Plan was also, no-where near the target. Firstly, while the target of freight traffic to be lifted in the Fourth Plan was fixed as 240.5 million tonnes, provision of resources was made only for lifting 235 million tonnes of freight traffic. Secondly, while fixing the above target it was envisaged that the average distance of haul of traffic would be around 630 kilometres and as such the total workload for the Railways as reflected by the figures of Net Tonne Kilometres would be $235 \times 630 = 148$ billion. The actual distance of haul over the years has, however, far out-stripped the target prescribed. Thus, in 1972-73 itself the average lead of traffic had increased to 678 Kms. and the workload on the Railways as reflected by the figure of NTKMs had already risen to 136 billions despite the fact that the originating tonnage lifted in that year was only 201 million tonnes. In 1973-74, the last year of the Fourth Plan, Railways had anticipated lifting of 215 million tonnes of originating freight traffic which at the level of the average lead already achieved in the previous year, would have amounted to a total workload of 146 billion NTKMs which is marginally less than the target of 148 billions. Unfortunately, however, Railway operations during 1973-74 were far from being normal due to disturbed conditions of industrial relations which finally culminated in the countrywide strike of Railwaymen in May, 1974. This resulted in lifting of only about 185 million tonnes of traffic in the last year of the Plan. But for this, however, the Railways would have nearly achieved the performance expected of them during the Fourth Plan. Thirdly, the capacity that was supposed to be generated by the end of the Fourth Plan envisaged acquisition of certain number of locomotives and wagons which did not actually materialise. Thus, against 875 Main Line diesel and electric locomotives and 68,776 wagons, the actual production achieved was 672 locomotives and 57608 wagons. In other words, the actual procurement was nearly 300 locomotives (about 35 per cent) and 10,000 wagons (about 16 per cent) less than the target which itself meant considerable reduction in the ultimate capacity generated by the Railways during the Fourth Five Year Plan. Fourthly, an important factor which needs reckoning is that the actual growth of passenger traffic in the Fourth Plan far outstripped the target thereof in the Plan. Thus, against the projected growth of about 20 per cent for which provision was made in the Fourth Plan, the actual traffic handled in the penultimate year (1972-73) of the Fourth Plan itself was 22 per cent

and despite Railway operations remaining under serious strain due to disturbed industrial relations, in the last year of the Plan, the passenger traffic handled was 23 per cent higher than the traffic obtaining at the commencement of the Plan. To meet the increased demand of passenger traffic, resources had necessarily to be diverted from freight traffic. Taking all these factors into account, a detailed study was undertaken in the Railway Board according to which the Railways' capacity for handling freight traffic at the end of the Fourth Five Year Plan, assuming the best possible norms of usage of rolling stock, works out to only about 215 million tonnes of originating traffic at the then current leads. It is, therefore, clear that the capacity available with the Railways was no-where near 240 million tonnes.

As regards the Fifth Five Year Plan, the Planning Commission had indicated a target of 300 million tonnes of originating freight traffic to be carried by the Railways at the end of the Fifth Five Year Plan. An outlay of Rs. 2,350 crores for Railways development programme was provided for by the Planning Commission to augment the Railways' transport capacity to handle the increased level of traffic and while doing so, provision for rolling stock was made corresponding to only 280 million tonnes of originating traffic. In view of the unprecedented escalation in prices, a re-appraisal of the proposed outlay was made by the Railways in 1974 and it was estimated that an outlay of Rs. 3,250 crores would be needed with the physical targets remaining at the original level. This meant an average annual outlay of about Rs. 650 crores. Against this the actual outlay in 1974-75 was only Rs. 335 crores and the outlay provided for in 1975-76 is Rs. 343 crores due obviously to serious constraint of resources. It would thus be seen that the total outlay in the first two years is around 50 per cent of the proportionate outlay for these two years on the basis of the revised figure of Rs. 3,250 crores. It has now been assessed that with the current level of prices, an outlay of Rs. 2,350 crores as originally planned for, would generate capacity on the Railways to lift about 250 million tonnes only or originating freight traffic at the end of the Fifth Five Year Plan. Another factor which has to be reckoned with is that with the existing manufacturing capacity in the country, it would not be possible to make up for the loss of production of wagons and locomotives that has already occurred in the first two years of the plan due to inadequate availability of funds as indicated above.

Railways are no doubt fully alive to the problem of improvement in turn-round of wagons and have already taken a number of

steps in that direction. The Committee's recommendations for better operational efficiency are noted.

Comments of the Committee

Please see Comments under Chapter I.

Recommendation (Serial No. 65, Para No. 4.51)

The Committee further note that as stated by Government in the draft Fifth Five Year (Plan) document, "many of the important port programmes were not worked out in sufficient detail and a large number of projects were consequently dragged for beyond their scheduled dates of completion, resulting not only in cost escalation but also in some bottlenecks regarding smooth operation in country's overseas trade". The Committee have already commented about these delays in the execution of projects in their first report (Fifth Lok Sabha) on Visakhapatnam Port and Second Report on Tuticorin and Mangalore Ports. In the case of Haldia Project also, the Committee note that although the Project was expected to be completed in 1972 with an estimated cost of Rs. 40 crores, it is now expected to be completed in 1975 only and the estimated cost has already escalated to Rs. 126.94 crores. The result of these delays has been that while in 1973-74 i.e., the last year of the Fourth Plan, the major ports were expected to handle 77 million tonnes of traffic, the ports actually handled a traffic of only 65 million tonnes. The Committee are unhappy at this tendency on the part of Government to start port development programmes without preparation of proper project reports and consequent delays in the execution of projects, which not only results in considerable escalation of costs but also hampers the smooth operation of these ports. The Committee recommend that the projects should be taken up for execution only after preparation of detailed project reports with realistic estimates and target dates for completion, which should be adhered to. Moreover, it shall be ensured that the capacity created in these ports after investment of scarce financial resources, should be fully utilised by increasing the operational efficiency so that the maximum returns from these investments could be obtained. The Committee further recommend that while making fresh investments in major ports, the needs of coastal shipping should be specifically kept in view to meet the increasing role of coastal shipping in the transportation network.

Reply of Government

Projects are not taken up for execution without preparation of Detailed Project Reports, and detailed technical scrutiny. However,

despite all out efforts on the part of Government and the Port Trusts, sometimes there are slippages in the commissioning of the projects on account of reasons beyond their control. The recommendation is, however, noted. The needs of Coastal shipping are invariably kept in view while formulating proposals under the Five Year Plans, for development of Major Ports.

2. As regards the delay in the commissioning of the Haldia Dock Project mentioned in the recommendation of the Committee, it may be stated that this project is the first of its type in the country to be wholly planned, designed and executed by Indian Engineers and experts. They have been dealing with the various technical and other problems natural to a project of the magnitude and dimensions such as those of Haldia, with all the complexities involved. Some of these were the change in the dimensions of the lock on the basis of anticipated availability of deeper draughts as assessed after detailed hydraulic studies, difficulties in lowering the watertable at the lock entrance to the dock system to enable deep excavation being carried out prior to undertaking construction, general shortage of steel and cement, low productivity of labour and unanticipated difficulties in working conditions during the monsoon periods reducing considerably the availability of working time per year and delay in supply of plant and equipment by some indigenous manufacturers. Efforts have been made to solve the technical problems and to overcome shortages in cement, steel etc. According to present indications, the Dock System is expected to be commissioned in 1976.

Recommendation (Serial No. 84, Para No. 5.46)

The Committee note that for standardising inland craft and equipment, Government had constituted a Joint Technical Group in March, 1969. The Group held 4 meetings only i.e. in February, 1970, June 1970, July 1970 and October, 1971. The draft report was prepared and circulated on 14-9-1973 but it has not been finalised so far as the report is yet to be signed by two Members. The Committee deplore the casual manner in which the technical group on this important subject has been working. It is a matter of concern that the Group has taken over 6 years in finalising their report on this important matter. The Committee are unable to appreciate why target dates for the submission of the report by the technical group were not laid by the Government. They would like the whole matter regarding the abnormal delay in the submission of the report by technical group to be examined by Government and

responsibility fixed therefor. The Committee would also like Government to ensure that the report of this Group is finalised immediately and decisions taken by Government thereon within a period of three months and the Committee informed.

Reply of Government

Finalised report has since been received.

The matter has been examined and it has been found that the delay in preparation and finalisation of the report has occurred due to the fact that the convenor had multifarious duties to perform. He was in charge of an undertaking which was faced with a number of problems. The officer left that organisation about 2 years ago. Subsequently, the finalisation of the report was delayed as the other members were in different parts of the country, one of them being on sailing duty involving trips out of the country. In the circumstances, it is proposed to treat the matter as closed.

The report has been examined and it is found that the Group has not made any positive recommendation. The Group has enclosed drawings of a few vessels which have been satisfactorily used in the various waters of the country and has desired study of some books of references which are internationally known. We are obtaining the services of an international expert on this subject under UNDP and also to create some supporting facilities in the Directorate.

[Forwarded *vide* I.W.T. Directorate O.M. No. 28-IWT(14)/75-P&W dated the 26th September, 1975]

Recommendation (Serial No. 85, Para No. 5.48)

The Committee note that some studies about the traffic potential of inland water transport has been conducted in some parts of the country and some more studies are at present being conducted. The Committee, however, note that these studies are in a piecemeal for relating to some areas only and do not cover all navigable areas of the country. The Committee, therefore, recommended that for a realistic long term planning for inland water transport, a comprehensive study of traffic potential of all the navigable waterways in the country should be undertaken. The Committee further recommend that the scope of coordination of inland water transport in the country with other modes of transport and their relative cost-benefit study should also be included in this study so as to avoid any duplication in investible resources.

Action taken by the Government

The above recommendation has been considered and it is ~~pro-~~
~~posed~~ to create facilities to co-ordinate traffic studies by State ~~Gov-~~
~~ernments~~. The Directorate will collect traffic data and compile it
 properly as also advise the State Governments about the ~~trafic~~
 prospects with regard to the schemes which they contemplated.

[Forwarded vide I.W.T. Directorate O.M. No. 28-IWT(14)/75-~~227~~
 dated the 26th September, 1975]

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Serial Nos. 3 and 6 Para Nos. 1.13 & 1.32)

1.13. The Committee note that although the formulation of a National Transportation Policy was emphasised as early as in 1950 by the Motor Vehicles Taxation Enquiry Committee and since then a number of Committees have also reiterated the need for the formulation of National Transportation Policy, the same has not yet been finally formulated. The Committee are not convinced by the argument advanced by the representative of the Ministry of Shipping and Transport that the ingredients of the transport policy have already been enunciated in the Draft Fifth Five Year Plan and the need for a separate resolution has not arisen in the matter. The Committee feel that the present bottlenecks being experienced in the country and the difficulties experienced in the transportation of many essential commodities like Coal, Steel, Salt, Cement and the energy crisis which has particularly hit under-developed countries like India have focussed attention on the urgency of immediate enunciation of a national transportation policy which should aim at a coordinated and integrated development of all the modes of transport. The Committee, therefore, recommend that Government should immediately formulate a national transportation policy clearly laying down the role of the various modes of transport and short-term and long-term objectives and programmes for their development. The draft national transport policy so formulated should be laid on the Table of Parliament so that Members of Parliament may get a chance to discuss the same before it is finalised.

1.32. The Committee are impressed with the approach which had been outlined in this behalf as early as 1966 by the Committee on Transport Policy and Coordination which was presided over by Member incharge of Transport and High-powered representatives of Railways, Roads and other means of transport. It is a pity that Government while turning down the suggestion for having a Minister's Committee for policy making on transport, did not provide a concrete alternative set up. More distressing is the fact that comparative cost studies of carrying transport by different means, which were to be made by well-equipped agency, never materialised. In

fact the Joint Technical Group for Transport Planning which had done some studies on the subject was also done away with. The net result of this has been that both in the Third and Fourth Year Plan, the traffic projections for Railways were over-estimated and very large investments were directed towards development of Railways in the name of meeting heavy anticipated increase in traffic, whereas the fact is that in terms of originating traffic the position has remained stagnant for the last 10 years, though there has been some increase in net tonne kilometers carried by Railways. The Committee would like to emphasise that unless a coordinating authority which can lay down firm policy and specific targets in detailed terms for carriage of traffic, particularly bulky materials and industrial goods, is set up the transport difficulties would not be resolved. They would urge the Government to set up such a high powered body, which should have representatives of rail, road, inland waterways, coastal shipping, Finance etc. To assist this body, there should be arrangement for conducting proper methodical studies of comparative cost of transport by alternative means, so as to facilitate objective and rational decisions being taken in the interest of ensuring that adequate transport capacity is developed well ahead of the requirements and that the best and most economical means are pressed into service for achieving this objective.

Reply of Government

The recommendations of the Committee are under consideration and the comments of the Govt. will be furnished after a view is taken in consultation with all the Ministries etc. concerned.

[Ministry of Shipping and Transport O.M. No. TRC(25)/75 dated 26-11-75]

Further Information called for by the Committee

The precise steps taken by Govt. to formulate a national transportation policy and the latest position in regard to setting up of a coordinated agency may be intimated to the Committee.

[Lok Sabha Secretariat O.M. 5/22/EC/75, dated 7-2-1976]

Further Reply of Government

The preliminary views of the Ministries concerned with the other modes of transport (Railways, Civil Aviation) have been obtained. On the basis of these views a paper is being attempted listing out the issues requiring consideration. After the Paper is

finalised further consultations with these Ministries will be held and guidance of the appropriate Committee of the Cabinet obtained.

[Ministry of Shipping and Transport O.M. No. TRC (25) |75 dated 27-2-1976]

Comments of the Committee

Final action taken in the matter may be intimated to the Committee.

Recommendation (Serial No. 31, Para No. 3.8)

The Committee note that all the world over, there is a trend for increasing utilisation of road transport for transportation of cargo. The share of road transport in the transport of goods traffic has increased from 20 per cent in 1952 to 30 per cent in 1973. In India also, the share of road transport both in passenger and goods traffic is on the increase. The Committee recommend that Government should evolve an overall transportation plan for the country laying down the share of road and other modes of transport keeping in view the past achievements and the world and national trends in this field. Government should keep this world and national trend in view while taking decisions regarding investments in the various modes of transport during the successive Five Year Plans.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Shipping and Transport, O.M. No. TRC (19) |75, dated 25-11-75].

Further Information called for by the Committee

Please intimate the steps taken by Government to evolve an overall transportation plan laying down the share of road and other modes of transport.

[Lok Sabha Sectt., O.M. No. 5|22|EC|75, dated 7-2-1976].

Further Reply of Government

This is covered by the reply to serial No. 2.

[Ministry of Shipping and Transport, O.M. No. TRC (25) |75, dated 27-2-1976].

Comments of the Committee

Final action taken by Government to evolve an overall transportation policy laying down the share of road and other modes of transport may be intimated to the Committee.

Recommendation (Serial No. 35, Para Nos. 3.47 and 3.48)

3.47. The Committee consider that in view of the inadequacy of transport facilities in the country, there is a pressing need for maximum utilisation of transport capacity by enabling rapid and unhindered movement of vehicles. The Committee regret to note that one of the main obstacles in the way of quick and rapid movement of road transport in the country in the multiplicity of check-posts and payment of octroi duties on those check-posts. The transport vehicles are required to stop and wait at these check-posts for a considerable time to pay octroi duties which not only increases the detention time, hampers the quick and rapid transport of goods but also results in wastage of fuel which, in the context of the current energy crisis, is something which the country cannot afford to do. The Committee note that according to one estimate the capacity of road transport in the country can be increased by as much as 30 per cent by abolishing those check-posts and octroi-posts.

3.48. The Committee regret to note that although a number of committees including Road Transport Taxation Enquiry Committee have emphasised the immediate necessity of abolishing those check-posts and octroi duties by substituting them by an alternative form of taxation and there is a general consensus on the desirability of removing Octroi duty, Government have not found it possible to evolve any alternative method of charging this tax with the result that not only this practice has been continuing but the check-posts are on the increase creating greater difficulties for the transport operators. Moreover, this system tends to generate nepotism and corruption and also results in a large scale leakage of this revenue. The Committee recommend that Government should take up this matter with the State Governments urgently and find out a way of collecting this tax either at source or in a consolidated form on the basis of turnover of a truck so that the present time consuming and irritating method of collection of octroi duty could be done away with.

Reply of Government

The question regarding abolition of octroi in the context of the Prime Minister's announcement regarding removal of constraints on

road transport was discussed recently and a Scheme for self-assessment of octroi by road transport operators was drawn up. An alternative proposal for levying a surcharge on the excise duty on motor spirit and HSD and finding it separately for providing compensation to the State Governments for abolition of octroi was also considered. However, it was found that there were practical difficulties in accepting and implementing these suggestions. It was, therefore, decided that the matter be examined in detail by the Ministry of W & H, who are concerned with urban local bodies, which are the main octroi levying agencies and devise the most suitable alternatives to octroi.

“So far as Check posts are concerned, the position is explained in the reply to Recommendation No. 36”.

[Ministry of Shipping and Transport, O.M. No. TRC (13) |75, dated 4-9-75].

Further Information called for by the Committee

Please intimate the action taken by the Ministry of Works and Housing in the matter of abolition of Octroi duties.

[Lok Sabha Sectt., O.M. No. 5|22|EC|75, dated 7-2-1976].

Further Reply of Government

The Ministry of Works and Housing are in the process of drawing up a Paper.

[Ministry of Shipping and Transport, O.M. No. TRC (25) |75, dated the 27-2-1976].

Comments of the Committee

Final action taken in the matter may be intimated to the Committee.

Recommendation (Serial No. 36, Para No. 3.49)

The Committee regret that although the Central Government have already advised the State Governments to reduce the number of check-posts, most of the State Governments have not taken necessary steps in this direction. The Committee would recommend that this matter should be taken up with the State Government at the highest level and the Committee informed within a period of three months about the specific progress made in the matter. The Committee would like Central Government to take up the matter in the

Transport Development Council also where the representatives of the State Governments are present and impress upon them the desirability of taking immediate steps in this direction.

Reply of Government

The question of abolition/rationalisation of check-posts other than octroi check-posts was considered at the meeting with the State Transport Secretaries on the 20th August, 1975. Two suggestions were made in the background paper circulated by the Ministry of Shipping and Transport on the subject, namely (a) reducing the number of check-posts; (b) rationalising them. It was suggested that all the checking agencies could be put under the charge of one single authority and whatever examination was required, could be done on behalf of the various check-posts at the common point. By doing so, it could be ensured that there was minimum stoppage of vehicles. It might not be possible to abolish all the check-posts. However, the existing inconvenience caused to operators could be avoided.

2. During the discussions at the meeting, the representative of Orissa stated that his State had placed the check-posts of the different departments, e.g., Forest, Excise, Supply and Transport at one point. All the consolidated check-posts organisations had been placed under a gazetted officer who was in overall control of the work of all departments participating in the arrangement. The unified check-posts were located on National and State Highways on the borders of the State. The officer incharge had been delegated powers by the concerned departments to act on their behalf. By this method, the movement of vehicles had been speeded up.

3. After further discussion, it was agreed that the State Governments would consider setting up unified check-posts on the pattern of the system in Orissa. They would also study the question of rationalisation of check-posts and send a report to the Ministry of Shipping and Transport.

4. Details of the arrangements in force in Orissa have been obtained and circulated to the State Governments. The minutes of the meeting held on 20-8-1975 have also been circulated and the States have been requested to send a report on rationalisation of check-posts within three months. On receipt of these reports, the matter will also be placed, if necessary, before the Transport Development Council.

5. So far as Octroi is concerned, the position is explained in the reply to recommendation No. 35.

[Ministry of Shipping and Transport, O.M. No. TRC (14) |75,
dated 30-9-1975].

Further Information called for by the Committee

Please intimate the action taken by the State Governments in the matter of setting up unified check-posts.

Further Reply of Government

The Orissa pattern of unified check-posts was circulated to all the State Governments with the request to consider adopting it. Progress reports have also been called for from the States and these are awaited.

[Ministry of Shipping and Transport, O.M. No. TRC (25) |75,
dated 27-2-1976].

Comments of the Committee

Copies of the Progress Report, when received from the State Governments, may be furnished to the Committee.

NEW DELHI;
April 23, 1976.

R. K. SINHA,
Chairman,
Estimates Committee.

Vaisakha 27, 1896 (Saka).

APPENDIX I

(Vide reply to recommendation at Sl. No. 30)

Guidelines for the grant of National Permits

1. The various considerations specified in Section 55 of the **Motor Vehicles Act, 1939**, as amplified by the **Motor Vehicles (Amendment) Ordinance, 1975**, will be taken into account in selecting applicants for the grant of National Permits.

2. The main purpose underlying the National Permits being the facilitation of movement of goods between the States of the Union in the interests of the public, such applicants as are likely to contribute to this purpose should be selected.

3. Those applicants who have experience in the movement of goods on the basis of Regional, State and Inter-State Permits need be considered for the grant of National Permits within the limits mentioned in the Ordinance. In order to meet the social purpose enshrined in the Ordinance, normally 50 per cent of the National Permits may be granted to those already holding Inter-State permits 25 per cent to those holding State and Regional Permits and the remaining 25 per cent to new entrepreneurs including ex-Army personnel and unemployed drivers.

4. There should be no objection to granting National Permits to those holding Inter-State permits provided they surrender the required number of the latter permits so as to come initially, or remain later, within the limits laid down in the Ordinance.

5. It will be noticed that there is no restriction of numbers of National Permits in respect of those having regional and State permits. However, the general need to avoid undue concentration of opportunities in a few hands may be borne in mind.

6. If an adequate number of new entrepreneurs are not forthcoming for availing National Permits set apart for them, the unutilised number may be distributed among other kinds of applicants.

7. Before granting National Permits to new entrepreneurs such as unemployed drivers and ex-army personnel, care will be taken

to see that the applicants are genuine and not benami. A suitable declaration should be obtained for this purpose from them. It should be made clear that permits granted on the basis of such declaration will not be allowed to be transferred under any circumstances. If no longer required, they can only be surrendered for cancellation.

8. New entrepreneurs may be recommended suitable assistance from the financial institutions in order to enable them to carry on the business of National Permits.

APPENDIX II

(Vide reply to recommendation at Serial No. 48)

List of C.A.C. Techniques

The Central Assessment Committee has so far approved the following Techniques evolved for large scale adoption in the field:

- (1) Mechanically stabilised soil in Sub-base.
- (2) Lime Stabilized soil in Sub-base.
- (3) Naturally occurring gravel mixtures in Sub-base and base course.
- (4) Stabilized soil with soft aggregates in Sub-base and Base-courses.
- (5) Lime stabilised Moorum in Sub-base and Base-course in high waterwable and black cotton soil areas.
- (6) Soil gravel mixtures in Sub-base and Vase-course.
- (7) Thin Sand—Asphalt Surfacing.
- (8) Bitumen mixes using uncrushed gravel with or without small percentage of fine aggregates.
- (9) Built-up Spray grout.
- (10) Pre-coated stone-chips for surface dressing.
- (11) Pre-coated Bitumen carpet with 8 cft. of $\frac{1}{4}$ " stone grit over 2" of Bituminous macadam.
- (12) Composite Pavement 6" compacted soil, 4" thick lime-burnt clay puzzolana concrete Sub-base, $4\frac{1}{2}$ " thick W.B.M. base and $\frac{3}{4}$ " thick Bituminous carpet with seal coat.
- (13) Lime-Fly-ash stabilized soil.
- (14) Lime-Fly ash concrete.
- (15) Cement-Fly ash concrete.
- (16) Lean Cement-Fly ash concrete.

APPENDIX III

(Vide Introduction to Report)

Analysis of the action taken by Government on the recommendations contained in the 75th Report of the Estimates Committee (Fifth Lok Sabha)

1. Total Number of recommendations	85
2. Recommendations which have not been accepted by Government (<i>Vide</i> Recommendation Nos. 1, 2, 4, 7, 10, 13, 14, 16, 17, 19, 20, 21, 24, 27, 28, 30, 32, 43, 47, 48, 52, 55, 56, 57, 59, 60, 63, 66, 67, 68, 72, 73, 74, 77, 83)	
Number	35
Percentage to total	41
3. Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>Vide</i> recommendations Nos. 5, 8, 9, 18, 22, 25, 26, 29, 33, 34, 37, 38, 39, 40, 41, 42, 44, 45, 46, 49, 50, 52, 53, 54, 58, 61, 62, 64, 69, 70, 71, 75, 76, 78, 79, 80, 81, 82)	
Number	38
Percentage to total	45
4. Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>Vide</i> recommendation Nos. 11, 12, 15, 23, 65, 84 & 85)	
Number	7
Percentage to total	8
5. Recommendations in respect of which final replies of Government are still awaited (<i>Vide</i> recommendations Nos. 3, 6, 31, 35 & 36)	
Number	5
Percentage to total	6